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TITLE 10—ARMY: WAR DEPARTMENT

Chapter I—Aid of Civil Authorities and Public Relations

PART 11—ASSISTANCE TO RELATIVES AND OTHERS IN CONNECTION WITH DECEASED PERSONNEL

NOTIFICATION IN CASE OF DEATH

Paragraph (a) of § 11.1 (8 F.R. 7301) is amended to read as follows:

§ 11.1 *Notification to nearest relative or other person designated to be notified in case of emergency.* (a) In case of death occurring at a decedent's regular post, camp, station, or other command within the continental United States, excluding Alaska, the commanding officer of that post, camp, station, or other command will send notification of death by commercial telegraph to the nearest relative or other person designated to be notified in case of emergency. In case of death beyond the jurisdiction of the decedent's regular post, camp, station, or other command, the commanding officer of the post, camp, station, or other command nearest the place of death, who is responsible for preparation of remains under the provisions of Army regulations, will send the notification of death to the nearest relative or other person designated to be notified in case of emergency. Such notification will include the fact, date, place, and cause of death, and will, when early shipment of the remains is practicable, request the person notified to reply by telegraph whether it is desired to have the remains shipped home, and if such shipment is desired, to designate the destination and the name of the person to whom the remains are to be consigned. For shipment of remains, see AR 55-155¹. Under no circumstances will the notification include a statement relative to line of duty or misconduct. In view of the importance and urgency of telegraphic reports of death, a definite address, including street number when known, will be given in all cases in order that prompt and correct deliv-

¹ Administrative regulations of the War Department pertaining to transportation of public property and remains.

ery may be made. (R. S. 161; 5 U.S.C. 22) [Par. 6, AR 600-550, 14 May 1943, as amended by C 4, 24 January 1944]

[SEAL]

J. A. ULIO,
Major General,
The Adjutant General.

[F. R. Doc. 44-1611; Filed, February 2, 1944; 9:30 a. m.]

Chapter VII—Personnel

PART 79—PRESCRIBED SERVICE UNIFORM ARMY NURSE CORPS, PHYSICAL THERAPY AIDES, AND HOSPITAL DIETITIANS

Sections 79.70 and 79.80 (b) (2) (ii) are amended to read as follows:

§ 79.70 *Winter service uniform.* The winter service uniform for Army nurses, physical therapy aides, and hospital dietitians consists of the following items:

- (a) Cap, service, wool, olive-drab, nurses'.
- (b) Jacket, wool, olive-drab, women's, nurses', except when waist without coat is authorized.
- (c) Skirt, wool, olive-drab, dark, women's, officers', except when slacks are authorized.
- (d) Waist, cotton, women's (khaki), or waist, wool, women's (khaki).
- (e) Necktie, women's (khaki).
- (f) Shoes, service, women's, low (Army russet).
- (g) Hosiery, neutral shade.
- (h) Gloves, leather, dress, women's (Army russet), or gloves, wool, olive-drab, women's.
- (i) Tags, identification.

Optional

- (j) Decorations, service medals, and badges.
- (k) Ribbons, service.
- (l) Overcoats, field, women's, officers'.
- (m) Raincoat, parka type, women's, officers'.
- (n) Scarf, women's (khaki).
- (o) Overshoes, low, women's, or overshoes, arctic, women's, 4-buckle.
- (p) Bag, utility, nurses' (Army russet).
- (q) Slacks, women's, winter, dark olive-drab. (R.S. 1296; 10 U.S.C. 1391) [Par. 5, AR 600-37, 20 July 1943 as amended by C2, 20 January 1944]

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NOTICE

Book 1 of the Cumulative Supplement to the Code of Federal Regulations may be obtained from the Superintendent of Documents, Government Printing Office, at \$3.00 per copy. This book contains all Presidential documents issued during the period from June 2, 1938, through June 1, 1943, together with appropriate tables and index.

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§ 79.80 Adopted standards of cloth.
(a) The adopted standards of cloth for Army nurses, physical therapy aides, and hospital dietitians are as follows:

- * * *
- (2) Winter olive-drab service uniform. * * *
- (ii) Overcoat, field (trench coat)—
- (a) Fabric. Cloth, cotton, wind resistant, type II (poplin).
- (b) Color. Olive-drab, shade No. 2 or No. 7 (R.S. 1296; 10 U.S.C. 1391) [Par. 26, AR 600-37, 29 July 1943, as amended by C2, 20 January 1944]

[SEAL] J. A. ULIO,
Major General,
The Adjutant General.
[F. R. Doc. 44-1610; Filed, February 2, 1944; 9:30 a. m.]

Chapter VIII—Procurement and Disposal of Equipment and Supplies

[Procurement Regs. 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 15]

MISCELLANEOUS AMENDMENTS

The following amendments and additions to the regulations contained in Parts 81, 83, and 88 are hereby prescribed. These regulations are also contained in War Department Procurement Regulations dated 5 September 1942 (7 F.R. 8082) as amended by Change 30,

21 January 1944,¹ the particular regulations amended being Nos. 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, and 15.

In section numbers the figures to the right of the decimal point correspond with respective paragraph numbers in the procurement regulations.

AUTHORITY: Sec. 5a, National Defense Act, as amended, 41 Stat. 764, 54 Stat. 1226; 10 U.S.C. 1193-1195, and the First War Powers Act 1941, 55 Stat. 838; 50 U.S.C. Sup. 601-622.

[Procurement Reg. 2]

PART 81—PROCUREMENT OF MILITARY SUPPLIES AND ANIMALS

GENERAL PURCHASE POLICIES

In § 81.223 (c) (1) and (d) (3) regulations pertaining to Group III labor areas are amended as follows:

§ 81.223 Factors governing placement of contracts. * * *

(c) Labor supply policy. (1) The War Manpower Commission has divided the country into twelve Regions and from time to time classifies localities in each Region according to their labor supply conditions and on this basis designates them as:

* * *

Group III—Areas in which a slight labor surplus will remain after six months.

(d) Labor shortage areas. In accordance with paragraph (c) of this section the following policies will be observed with respect to the placing of contracts in Group I, II, or III labor areas:

* * *

(3) Group III: In these areas there may be placed any contract (whether representing new or continuation business) which will not require the employment of labor in addition to that normally or currently employed by the contractor. In addition, any contract may be placed in a Group III area which is of such character that it might properly be placed in a Group I or II area under the provisions of subparagraphs (1) and (2).

* * *

Section 81.243 is rescinded and a new § 81.243 is substituted therefor:

§ 81.243 Contractors' proposals—(a) Information to be furnished by contractors; methods of obtaining it. (1) In simple procurements for small amounts where effective competition exists and where it is, accordingly, expected that awards will be made to the lowest bidders (subject to the principles set forth in §§ 81.220-81.228 of this part), information to be obtained from contractors may ordinarily be confined to quotations of prices. These quotations are frequently invited on W. D. Contract Form No. 5, § 81.1317d.

(2) In other cases—where the procurements are complex, or are for large amounts, or are to be carried out in

¹ For previous changes see 7 F.R. 9268, 10184, 10906; 8 F.R. 3339, 3486, 5210, 6576, 7526, 8629, 8918, 9908, 11609, 12043, 13083, 13791, 14512, 16009, 16100 and 17464.

the absence of effective competition—additional information is ordinarily required in order to base a judgment as to the awards. Detailed contractors' proposals are an important method of obtaining such information. As a general rule, such proposals should contain the following types of data:

(i) Separate quotations for the basic (or major) item, essential extra parts and assemblies, initial and extra equipment, and the costs of additional facilities required by the contractor.

(ii) Proposed delivery schedule.

(iii) Summary of the approximate number, amount and extent of completion of other outstanding Government contracts.

(iv) Itemized estimate of costs of production with adequate explanation of the basis used for allocating overhead, etc.

(v) Statement showing the cost experience for the same or similar items under other recent contracts.

(vi) Statement as to labor needs and supply, contemplated hours of work and number of shifts.

(vii) Contemplated method of financing the contract.

(viii) Statement of material to be furnished by the Government and disposition of scrap therefrom.

(ix) Summary of types and extent of subcontracting.

(x) Requirements for additional equipment and facilities.

(xi) Statement of any optional clauses desired in the contract.

(xii) Statement in detail of taxes included in the price and their estimated amount, and of any taxes to be excluded from the price for which contractor will claim reimbursement or a tax exemption certificate.

(3) Contractors' proposals are particularly useful when presented on standardized proposal forms. These proposal forms assist in obtaining all necessary information from the contractor at the same time, and facilitate the comparison and evaluation of proposals from several producers by insuring a uniform basis of statement. They facilitate selection of the appropriate contractor in accordance with §§ 81.220–81.228 of this part and provide a basis for negotiation with the contractor in accordance with this section.

(b) *Standard proposal forms prescribed for use in certain cases.* (1) In conformity with subparagraphs (2) and (3) of paragraph (a) of this section, certain standard proposal forms have been prepared in collaboration with the technical services and published as War Department Standard Procurement Forms (No. 1—Request for Proposal, § 81.1327 (a); No. 2—Contractor's Proposal, § 81.1327 (b); and Instructions for Filling Out Standard Procurement Form No. 2, § 81.1327 (c)).

(2) Whenever, in the opinion of the technical service involved, detailed cost or price information is necessary or desirable as an aid to the adequate negotiation of contracts for supplies (other than construction), the technical service will use the Standard Procurement Forms for this purpose. Except as permitted under subparagraph (3) below, the Standard Procurement Forms will be used in all such cases without deviation or addition, and no substitute or supplementary proposal forms will be used. Where necessary, however, information obtained through use of the Standard Procurement Forms may be clarified or amplified through correspondence or personal negotiation.

(3) Upon request and justification by the technical service involved, the Director, Purchases Division, Headquarters, Army Service Forces, may, in particular cases or classes of cases, permit deviations from or additions to the Standard Procurement Forms, or otherwise grant partial or complete exemptions from the requirements of subparagraph (2) above.

(4) The Standard Procurement Forms have considerable internal flexibility. The procurement office is required, by the terms of Form No. 1, to select and specify (within established limits) the data which the prospective contractor is requested to furnish on Form No. 2. Thus the procurement office has latitude to accommodate the Forms to the necessities of particular procurements; for example, it may relieve the contractor of the task of compiling data which are not pertinent to the procurement, or which are already known to the procurement office.

[Procurement Reg. 3]

PART 81—PROCUREMENT OF MILITARY SUPPLIES AND ANIMALS

CONTRACTS

In § 81.302 (c) subparagraph (5) is redesignated (6) and a new subparagraph (5) is added, as follows:

§ 81.302 *Definitions.* * * *

(c) *Contracting officer.* * * *

(5) Any person duly appointed a contracting officer in accordance with subparagraph (1) above, with authority to execute contracts on behalf of a particular technical service, service command or the Army Air Forces may execute contracts on behalf of any other service when the necessary funds, if any, have been made available.

(6) All action heretofore taken which would have been valid if this paragraph (c) had then been in effect, is hereby ratified and confirmed.

In § 81.303 (e) subparagraph (2) (1) is amended as follows:

§ 81.303 *General requirements for contracts.*

(e) *Numbering and distribution of contracts.* * * *

(2) *Distribution of purchase orders.* * * *

(4) If the purchase order was preceded by a written quotation signed by the contractor, or if the contractor delivered some written instrument evidencing the contractor's assent, the original of such written quotation or instrument should be forwarded to the appropriate Army Audit Branch of the General Accounting Office and a copy thereof attached to the copy of the purchase order furnished the disbursing officer.

In § 81.318b paragraphs (c) (1) (x) and (e) are amended as follows:

§ 81.318b *Contract procedure.* * * *

(c) *Service Command Contracts.* * * *

(1) * * *

(x) Contracts for furnishing local transportation to Government and other personnel, executed in accordance with Circular No. 80, War Department, 1943, and Memorandum No. W55-15-43, issued by the Office of the Adjutant General, will be numbered in accordance with § 81.309 (b) as Transportation Corps contracts. This subparagraph is applicable to contracts for furnishing transportation to Army Air Forces installations and to plants of Army Forces contractors, as well as to contracts for the furnishing of transportation to other War Department installations and to the plants of other War Department Contractors. Any contracts for furnishing local transportation which, in accordance with any previous instructions, may have been numbered in a manner inconsistent with this subdivision (x) should, if practicable, be renumbered.

(e) *Numbering of service command contracts.* (1) Contract numbers will be placed in the upper right-hand corner of service command contracts and will consist of the following in the order named:

(i) The capital letter "W", representing the War Department, followed by a hyphen.

(ii) The station number, that is, the station or office as published in the War Department Fiscal Code. There may be added to the station number a capital letter or other designation to indicate the branch by which the contract was executed. The following symbols will be used to designate the respective branches set opposite each symbol;

Q—Quartermaster
S—Signal
T—Transportation
O—Ordnance
E—Engineer
M—Medical
C—Chemical
U—Repairs & Utilities Branch
Trg—Training Branch

If any symbols or designations other than those enumerated in the preceding sentence are being used, or if it is proposed to adopt any such symbols or designations, the Legal Branch, Office of Director of Matériel, Headquarters, Army Service Forces, should be advised and that branch in turn will advise the Contract Service Section, Audit Division, General Accounting Office, Washington, D. C. It is to be emphasized that the use of the additional symbols authorized by this subdivision (ii) is for the convenience of the post, camp or station and, accordingly, is optional. The use of these branch symbols may be dispensed with or, if desired, a single branch symbol (and one series of contracts) may be used for more than one, but less than all, branches at a given post, camp or station.

(iii) A symbol in parentheses to indicate the service commands, this symbol will consist of the capital letters S. C. in parentheses followed by a hyphen and a Roman numeral indicating in which service command the contract was executed. It is important that capital letters followed by periods and by the Roman numeral be used in order that no confusion will arise with Signal Corps contracts which bear the symbol "sc". In the case of the Northwest Service Command and the Military District of Washington, this symbol will respectively consist of the capital letters S. C. N. W. and M. D. W., the symbol to be in parentheses.

(iv) A serial number separated from the above by a hyphen, commencing with the number "1" and continuing in succession indefinitely without regard to the fiscal year.

(2) It is to be emphasized that the numbering procedure set forth in this paragraph is applicable only to service command contracts (as the term is defined in paragraph (c)). When technical service contracts are executed within a service command (see paragraph (c), particularly subparagraphs (6) to (8)), such contracts should be numbered as technical service contracts in accordance with the provisions of § 81.309 (b).

(3) *Serial numbers.* It is desirable that separate series be commenced for service command contracts (as defined in paragraph (c)). This should be done as promptly as possible. By adding the branch symbols authorized by subdivision (ii) of subparagraph (1) above, separate series may be maintained for each branch of a post, camp or station.

(4) *Effect of War Department Fiscal Code.* See § 81.309 (d).

(5) *Contract of sale.* Reference is made to § 83.706. As indicated therein when a contract of sale, as distinguished from a contract of purchase, is executed, the letter "s" will be added after the parenthesis of the symbol specified in subparagraph (1) (iii) of this paragraph (e).

In § 81.324 paragraphs (a) and (b) are amended as follows:

§ 81.324 *Termination*—(a) *At option of the Government.* (1) There is set forth in subparagraph (7) below the new termination article prescribed by the Office of War Mobilization for use in lump sum supply contracts. This article will be referred to hereafter in this paragraph as the "new article."

(2) The new article may be inserted in any lump sum supply contract.

(3) Every lump sum supply contract executed on and after 20 February 1944, except:

(i) Contracts to be completed in six months or less for an amount of less than \$500,000 and

(ii) Contracts for an amount of less than \$50,000, regardless of the date of completion, will contain the new article without deviation.

(4) As provided in § 88.15-107 (a) the chief of any technical service, without approval of higher authority, may amend any existing lump sum supply contract to insert therein the new article. Such amendments will take place wherever possible prior to giving formal notice of termination. Inasmuch as it is in the interest of both the contractors and the Government that termination be effected under a uniform article, a vigorous policy will be pursued of promptly inserting by amendment the new article in existing contracts (other than those within the exceptions of subdivisions (i) and (ii) of subparagraph (3) above) not now containing it. This policy will be applied with special emphasis in the case of contracts for large amounts and contracts calling for deliveries over long periods of time.

(5) Prior to the adoption of the new article by the Office of War Mobilization there was in use by the War Department a standard termination article for lump sum supply contracts which was contained in this § 81.324. The instructions contained in Procurement Regulation No. 15 are based upon the former article. To the extent that such instructions are inconsistent with the new article they are to be deemed inapplicable to contracts containing it. The paragraphs of Procurement Regulations No. 15 containing such instructions will shortly be amended to conform to the new article.

(6) Simultaneously with the issuance of the new article the Office of War Mobilization published a "Statement of Principles for Determination of Costs Upon Termination of Government Fixed Price Supply Contracts". It will be noted that this statement is incorporated by reference by subparagraph (h) of the new article. The statement is set forth in full in §§ 88.15-481 to 88.15-486. For convenience the new article has been printed in § 88.15-901, as well as in subparagraph (7) of this paragraph.

(7) Article concerning termination at the option of the Government.

ARTICLE -- *Termination at the option of the Government.* (a) The performance of work under this contract may be terminated by the Government in accordance with this Article in whole, or from time to time in part, whenever the contracting officer shall determine any such termination is for the best interests of the Government. Termination

of work hereunder shall be effected by delivery to the contractor of a Notice of Termination specifying the extent to which performance of work under the contract shall be terminated, and the date upon which such termination shall become effective. If termination of work under this contract is simultaneous with, a part of, or in connection with, a general termination (1) of all or substantially all of a group or class of contracts made by the War Department for the same product or for closely related products, or (2) of war contracts at, about the time of, or following, the cessation of the present hostilities, or any major part thereof, such termination shall only be made in accordance with the provisions of this Article, unless the contracting officer finds that the contractor is then in gross or wilful default under this contract.

(b) After receipt of a Notice of Termination and except as otherwise directed by the contracting officer, the contractor shall (1) terminate work under the contract on the date and to the extent specified in the Notice of Terminations; (2) place no further orders or subcontracts for materials, services or facilities except as may be necessary for completion of such portions of the work under the contract as may not be terminated; (3) terminate all orders and subcontracts to the extent that they relate to the performance of any work terminated by the Notice of Termination; (4) assign to the Government, in the manner and to the extent directed by the contracting officer, all of the right, title and interest of the contractor under the orders or subcontracts so terminated; (5) settle all claims arising out of such termination of orders and subcontracts with the approval or ratifications of the contracting officer to the extent that he may require, which approval or ratification shall be final for all the purposes of this Article; (6) transfer title and deliver to the Government in the manner, to the extent and at the times directed by the contracting officer (1) the fabricated or unfabricated parts, work in process, completed work supplies and other material produced as a part of, or acquired in respect of the performance of, the work terminated in the Notice of Termination, and (11) the plans, drawings, information and other property which, if the contract had been completed, would be required to be furnished to the Government; (7) use his best efforts to sell in the manner, to the extent, at the time, and at the price or prices directed or authorized by the contracting officer, any property of the types referred to in subparagraph (6) of this paragraph. *Provided, however,* That the contractor (1) shall not be required to extend credit to any purchaser and (11) may retain any such property at a price or prices approved by the contracting officer; (8) complete performance of such part of the work as shall not have been terminated by the Notice of Termination; and (9) take such action as may be necessary or as the contracting officer may direct for protection and preservation of the property, which is in the possession of the contractor and in which the Government has or may acquire an interest.

(c) The contractor and the contracting officer may agree upon the whole or any part of the amount or amounts to be paid to the contractor by reason of the total or partial termination of work pursuant to this Article, which amount or amounts may include a reasonable allowance for profit, and the Government shall pay the agreed amount or amounts. Nothing in paragraph (d) of this Article prescribing the amount to be paid to the contractor in the event of failure of the contractor and the contracting officer to agree upon the whole amount

to be paid to the contractor by reason of the termination of work pursuant to this Article shall be deemed to limit, restrict or otherwise determine or affect the amount or amounts which may be agreed upon to be paid to the contractor pursuant to this paragraph (c).

(d) In the event of the failure of the contractor and contracting officer to agree as provided in paragraph (c) upon the whole amount to be paid to the contractor by reason of the termination of work pursuant to this Article, the Government, but without duplication of any amounts agreed upon in accordance with paragraph (c), shall pay to the contractor the following amounts:

(1) For completed articles delivered to and accepted by the Government (or sold or retained as provided in paragraph (b) (7) above) and not theretofore paid for, forthwith a sum equivalent to the aggregate price for such articles computed in accordance with the price or prices specified in the contract;

(2) In respect of the contract work terminated as permitted by this Article, the total (without duplication of any items) of (i) the cost of such work exclusive of any cost attributable to articles paid for or to be paid for under paragraph (d) (1) hereof; (ii) the cost of settling and paying claims arising out of the termination of work under subcontracts or orders as provided in paragraph (b) (5) above, exclusive of the amounts paid or payable on account of supplies or materials delivered or services furnished by the subcontractor prior to the effective date of the notice of termination of work under this contract which amounts shall be included in the cost on account of which payment is made under subdivision (i) above; and (iii) a sum equal to ____% (Note 1),¹ of the part of amount determined under subdivision (i) which represents the cost of articles or materials not processed by the contractor, plus a sum equal to ____% (Note 2),² of the remainder of such amount, but the aggregate of such sums shall not exceed 6% of the whole of the amount determined under subdivision (i), which for the purpose of this subdivision (iii) shall exclude any charges for interest on borrowings;

(3) The reasonable cost of the preservation and protection of property incurred pursuant to paragraph (b) (9) hereof; and any other reasonable cost incidental to termination of work under this contract, including expense incidental to the determination of the amount due to the contractor as the result of the termination of work under this contract.

The total sum to be paid to the contractor under subparagraphs (1) and (2) of this paragraph (d) shall not exceed the total contract price reduced by the amount of payments otherwise made and by the Contract price of work not terminated. Except for normal spoilage and to the extent that the Government shall have otherwise expressly assumed the risk of loss, there shall be excluded from the amounts payable to the contractor as provided in paragraph (d) (1) and

paragraph (d) (2) (i), all amounts allocable to or payable in respect of property, which is destroyed, lost, stolen or damaged so as to become undeliverable prior to the transfer of title to the Government or to a buyer pursuant to paragraph (b) (7) or prior to the 60th day after delivery to the Government of an inventory covering such property, whichever shall first occur.

(e) The obligation of the Government to make any payments under this Article: (1) shall be subject to deductions in respect of (i) all unliquidated partial or progress payments, payments on account theretofore made to the contractor and unliquidated advance payments, (ii) any claim which the Government may have against the contractor in connection with this contract, and (iii) the price agreed upon or the proceeds of sale of any materials, supplies or other things retained by the contractor or sold, and not otherwise recovered by or credited to the Government, and (2) in the discretion of the contracting officer shall be subject to deduction in respect of the amount of any claim of any subcontractor or supplier whose subcontract or order shall have been terminated as provided in paragraph (b) (3) except to the extent that such claim covers (i) property or materials delivered to the contractor or (ii) services furnished to the contractor in connection with the production of completed articles under this contract.

(f) In the event that, prior to the determination of the final amount to be paid to the contractor as in this Article provided, the contractor shall file with the contracting officer a request in writing that an equitable adjustment should be made in the price or prices specified in the contract for the work not terminated by the Notice of Termination, the appropriate fair and reasonable adjustment shall be made in such price or prices.

(g) The Government shall make partial payments and payments on account, from time to time, of the amounts to which the contractor shall be entitled under this Article, whether determined by agreement or otherwise, whenever in the opinion of the contracting officer the aggregate of such payments shall be within the amount to which the contractor will be entitled hereunder.

(h) For the purposes of paragraphs (d) (2) and (d) (3) hereof, the amounts of the payments to be made by the Government to the contractor shall be determined in accordance with the Statement of Principles for Determination of Costs upon Termination of Government Fixed Price Supply Contracts approved by the Joint Contract Termination Board, December 31, 1943. The contractor for a period of three years after final settlement under the contract shall make available to the Government at all reasonable times at the office of the contractor all of its books, records, documents, and other evidence bearing on the costs and expenses of the contractor under the contract and in respect of the termination of work thereunder.

(b) *Termination for convenience of the Government.* Every lump-sum construction contract regardless of subject matter except:

(1) Contracts to be completed in six months or less for an amount of less than \$500,000 and

(2) Contracts for an amount of less than \$50,000 regardless of the date of completion, will contain the following clause without deviation:

ARTICLE ____ Termination for Convenience of the Government. (a) The Gov-

ernment may terminate this contract in whole or in part at any time by a notice in writing from the Contracting Officer to the Contractor, specifying the date upon which such termination shall become effective and the extent to which the performance of such contract shall be terminated. Termination shall be effective upon the date and to the extent specified in said notice.

(b) Upon receipt of the notice of termination the Contractor shall except insofar as the notice directs otherwise with respect to this contract, or, in the event of partial termination, with respect to the part thereof covered by the notice:

(1) Discontinue all work and the placing of all orders for materials and facilities otherwise required for the performance thereof;

(2) Cancel all existing orders and subcontracts to the extent such orders and subcontracts are chargeable to the performance thereof;

(3) Transfer to the Government, in accordance with the directions of the Contracting Officer, all materials, supplies, work in process, facilities, equipment, machinery or tools acquired by the Contractor in connection with the performance thereof, and all plans, drawings, working drawings, sketches, specifications and information for use in connection therewith, if and as the Contracting Officer so directs or authorizes, the Contractor shall sell at a price approved by the Contracting Officer, or retain at a price mutually agreeable, any such materials, supplies, equipment, machinery, tools, or other things: *Provided, however,* That the Contractor may retain any such equipment, machinery and tools as of right if he so elects in writing, stating that he will forego reimbursement therefor. The proceeds of any such sale, or the agreed price, shall be paid or credited to the Government in such manner as the contracting officer may direct so as to reduce the amount payable by the Government under this Article;

(4) Take such action as may be necessary to secure to the Government the benefits of any rights remaining in the Contractor under orders or subcontracts chargeable thereto to the extent that such orders or subcontracts are so chargeable;

(5) Take such action as the Contracting Officer may prescribe for the protection and preservation of all property in the possession or control of the Contractor, title to which is transferable to the Government under the provisions of this Article.

Should the notice of termination cover only a portion of this contract, the Contractor will proceed to completion of such portions as are not terminated.

(c) Upon compliance by the Contractor with the above provisions of this Article and subject to deductions or credit for payments previously made, and without duplication of any such payments, the Government shall pay to the Contractor such sum as the Contracting Officer and the Contractor may agree by Supplemental Agreement is reasonably necessary to compensate the Contractor for his costs, expenditures, liabilities, commitments and work with respect to this contract, other than the expenditures and costs referred to in paragraph (e) of this Article. The Contracting Officer shall include in such sum such allowance for profit with respect to the contract as is reasonable under all the circumstances.

(d) If the Contracting Officer and the Contractor, within 90 days from the effective date of the notice of termination referred to in paragraph (a), or within such extended period as may be agreed upon between them, cannot agree upon the sum payable under the provisions of paragraph (c), the Govern-

¹ NOTES 1 and 2. The chief of each technical service may provide for determining the percentages to be inserted at Note 1 (which in no event will exceed 2%) and at Note 2 (which may be greater or less than or equal to 6%). The general use of 2% and 8%, respectively, as arbitrary figures is recommended in the interest of expediting the execution of contracts. Where the use of arbitrary figures is not desired for any reason, the methods to be used in arriving at the percentage to be inserted at Note 2 shall be the same as those now used in price analysis. When the intended rate of profit on the finished article covered by the contract is lower than 8%, the insertion of a lower figure at Note 2 will of course be desirable.

ment shall instead compensate the Contractor in the following manner, subject to deductions or credit for payments previously made, and without duplication thereof, and upon compliance with the provisions of paragraphs (a) and (b) of this Article:

(1) By reimbursing the Contractor for all actual expenditures and costs certified by the Contracting Officer as having been made or incurred with respect to this contract, including expenditures and costs made or incurred in connections with any portions of the contract which may have been completed prior to termination, as well as expenditures and costs made or incurred after termination in completing those portions of the contract which the Contractor may have been required by the notice of termination to complete.

(2) By reimbursing or providing for the payment or reimbursement of, the Contractor for all expenditures made or costs incurred with the prior written approval of the Contracting Officer in settling or discharging any outstanding contractual obligations or commitments incurred or entered into by the Contractor with respect to this contract; and

(3) By paying the Contractor, as a profit on this contract, insofar as a profit is realized hereunder, an amount to be computed by the Contracting Officer in the following manner:

(A) Estimate the profit which would have been realized on this contract if the contract had been completed and labor and materials costs prevailing at the date of terminations had remained in effect.

(B) Estimate, from a consideration of all relevant factors, the percentage of completion of the contract including any work performed after termination. In estimating the percentage of completion, the Contracting Officer shall estimate the percentage of the total work required by the contract which the work actually accomplished represents.

(C) Multiply the profit determined under (A) by the percentage determined under (B). The product is the amount to be paid the Contractor as profit.

(e) The Government shall pay to the Contractor such sum as the Contracting Officer and the Contractor may agree upon for expenditures made and costs incurred with the approval of the Contracting Officer (a) after the date of termination for the protection of Government property, and (b) for such other expenditures and costs as may be necessary in connection with the settlement of this contract, and in the absence of such agreement as to the amount of such expenditures and costs shall reimburse the Contractor for the same.

(f) The obligation of the Government to make any of the payments required by this Article shall be subject to any unsettled claim for labor or material and to any claim which the Government may have against the Contractor under or in connection with this contract, and payments under this Article shall be subject to reasonable deductions by the Contracting Officer on account of defects in materials or workmanship.

(g) The sum of all amounts payable under this Article, plus the sum of all amounts previously paid under this contract, shall not exceed the total contract price, adjusted in the event that this contract contains an article providing for price adjustment, on the basis of the estimate of the Contracting Officer, to the extent which would have been required by such article if this contract had been completed and labor and materials costs prevailing at the date of termination had remained in effect.

(h) Should the above provisions of this Article not result in payment to the Contractor of at least \$100, then that amount shall be paid to the Contractor in lieu of any

and all payments hereinbefore provided for in this Article.

(i) The Government shall promptly make partial payments to the Contractor.

(1) On account of the amounts due under paragraphs (c), (d) and (e) of this Article to the extent that, in the judgment of the Contracting Officer, such payments are clearly within the amounts due under such paragraphs, and

(2) Of such amounts as the Contracting Officer may direct, an account of proposed settlements of outstanding obligations or commitments, to be made by the Contractor pursuant to paragraph (d) (2) of this Article, if such settlements shall have been approved by the Contracting Officer and subject to such provisions for escrow or direct payment to the persons entitled to receive such settlement payments as the Contracting Officer may require.

(j) Any disputes arising out of termination under this Article shall be decided in accordance with the procedure prescribed in Article ----- of this contract.

(k) Upon the making of the payments called for by this Article, all obligations of the Government to make further payments or to carry out other undertakings hereunder shall cease forthwith and forever, except that all rights and obligations of the respective parties under the Articles, if any, of this contract applicable to patent infringements and reproduction rights shall remain in full force and effect.

(l) The Government shall terminate this contract only in accordance with this Article, except as otherwise provided by law or by Article ----- (Delays-Damage). Notwithstanding Article ----- (Delays-Damages) and any defaults of the Contractor, the Government shall terminate this contract only in accordance with this Article if such termination is simultaneous with or part of or in connection with a general termination of war contracts at, about the time of, or following the cessation of the present hostilities or the end of the present war, unless the Contracting Officer finds that the defaults of the Contractor (1) have been gross or wilful and (2) have caused substantial damage to the Government.

The foregoing clause may be inserted in any contract as to which its inclusion is not mandatory. (See also paragraphs (c), (d) and (e) of this section.) In connection with the Termination Article set forth in this paragraph, see section IX of Procurement Regulation No. 3.

In § 81.395 paragraph (d) is amended as follows:

§ 81.395 *Contracts within section 9, Military Appropriation Act, 1944.* * * *

(d) *Compensation limited.* The following interpretations of the statute above-quoted have been made by the Office of The Judge Advocate General:

(1) The statute is applicable only to contracts under which the technical or professional service procured is the primary purpose of the contracts, and is not merely incidental to the furnishing of other work or services, construction, or supplies which may also be procured under those contracts.

(2) The limitation of compensation to \$25 per day for individuals applies to contracts otherwise within the statute made by the Government,

(i) With individuals who are to furnish their technical or professional service direct to the Government;

(ii) With firms or corporations which are to employ individuals who furnish their technical or professional service to the firms or corporations, when the contracts between the Government and the firms or corporations are on a cost reimbursable basis.

In the cases mentioned in subparagraph (2) (i) and (ii) above, the contracts will expressly limit the compensation payable to the individuals to not more than \$25 per day.

[Procurement Reg. 4]

PART 81—PROCUREMENT OF MILITARY SUPPLIES AND ANIMALS

BONDS AND INSURANCE

Section 81.484 is added as follows:

§ 81.484 *Assignment to Government of premiums due under policies written under War Department Insurance Rating Plan upon termination or completion of cost-plus-a-fixed-fee contracts.* (a) The following form will be used for the purpose of assigning to the Government the interest of a cost-plus-a-fixed-fee contractor in return premiums, premium refunds, etc., on insurance policies written under the War Department Insurance Rating Plan upon termination or completion of his contract:

ASSIGNMENT TO GOVERNMENT

Under Cost-Plus-A-Fixed-Fee Contract No. ----- dated ----- between the United States of America (hereinafter called the Government) and ----- (hereinafter called the Contractor).

The Contractor does hereby assign, transfer and set over to the Government as of the date hereof, all of its right, title and interest in and to all return premiums, premium refunds, dividends and any other moneys due or to become due the Contractor in connection with Policies No. -----, and ----- issued by the ----- Insurance Company.

In witness whereof, The Contractor has executed this Assignment this ----- day of -----, 194-----.

CONTRACTOR.

By -----

[CORPORATE SEAL]

Attest:

Secretary.

Accepted:

UNITED STATES OF AMERICA.

By -----

Contracting Officer.

(b) Appropriate detailed instructions will be given by the chiefs of technical services to contracting officers and others concerned so that the form is executed and forwarded by registered mail, return receipt requested, to the home office of the insurance company involved. The letter accompanying the form will specify that all checks to cover return premiums, etc., are to be made payable to the Treasurer of the United States.

(c) In addition to whatever copies are required for the purposes of a technical service, one copy of the executed form

will be forwarded to the Contract Insurance Branch, Special Financial Services Division, Office of the Fiscal Director, Headquarters, Army Service Forces.

[Procurement Reg. 5]

PART 81—PROCUREMENT OF MILITARY SUPPLIES AND ANIMALS

FOREIGN PURCHASES

In § 81.506 paragraphs (c) and (d) are amended and (e) is rescinded.

§ 81.506 Drawback. * * *

(c) *General rule and exception in case of contracts for cigars, cigarettes, and other tobacco products.* Whenever the Government purchases articles, with respect to which there might arise a claim to a drawback, the price paid shall include the customs duties, and accordingly the manufacturer will have no claim to a drawback. An exception to this rule may be made in the case of Government contracts for the purchase of cigars, cigarettes, and other tobacco products.

(d) *Right to drawback under standard tax articles.* Since customs duties are not Federal taxes from which exemption is available, such duties will, under the standard tax articles set forth in paragraphs (a) and (b), of § 81.357 be deemed to be included in the contract price. Therefore, in the case of contracts for the purchase of cigars, cigarettes, and other tobacco products by the Government, when it is desired to reserve to the manufacturer the claim to a drawback, it will be necessary to insert in the contract an express statement that the price does not include the customs duties.

(e) *Exceptions to War Department policy.* [Rescinded]

[Procurement Reg. 6]

PART 81—PROCUREMENT OF MILITARY SUPPLIES AND ANIMALS

INTERBRANCH AND INTERDEPARTMENTAL PURCHASES

In § 81.608 (c) subparagraphs (2) and (3) are added as follows:

§ 81.608 Purchases from Federal Prison Industries, Inc., Department of Justice. * * *

(c) General clearances. * * *

(2) *Amendment dated 20 December 1943.* Under date of 20 December 1943 Clearance C-23445 was amended to include the following under articles and services available:

POTATOES, DEHYDRATED: 400 tons of finished product at the rate of 50 tons per month commencing immediately.

BOATS, wooden, not in excess of 100' long, to be procured in the Ninth Service Command.

(3) *Amendment dated 22 December 1943.* Under date of 22 December 1943 Clearance C-23445 was amended to read as follows so far as wood furniture and specialties are concerned:

WOOD FURNITURE AND SPECIALTIES: Chairs of all types with the exception of 3C and

5C chairs; desk trays; cottomers; tool handles; pallets.

In § 81.610 paragraph (c) is amended as follows:

§ 81.610 Purchases from Government Printing Office. * * *

(c) (1) Under the regulations of the Joint Committee on Printing relative to periodicals and field printing, printing, binding and blankbook work which it is impracticable to have done at the Government Printing Office and which is necessary for the exclusive use of any field service outside of the District of Columbia may be procured elsewhere than at the Government Printing Office in the District of Columbia without the necessity of obtaining a clearance from the Public Printer. Such work shall be done either

(i) By local Army-owned reproduction facilities

(ii) At United States Army Field Printing Plants authorized by the Joint Committee on Printing, or

(iii) By commercial firms.

A list of authorized War Department Field Printing Plants is contained in the aforementioned regulations. These regulations are distributed by the Printing Branch, Service Installations Division, Office of The Quartermaster General and should be requested through the chief of the technical service (or commanding general of the service command).

(2) Said regulations further provide that

No field printing, even though authorized by the committee, shall be done at any field plant, * * * having machinery or equipment (including motors) which has been or may be purchased, exchanged, or transferred since May 1, 1920, without specific approval by the Joint Committee on Printing of such purchase, exchange, or transfer: *Provided*, That this regulation shall not be construed as applying to minor replacements of type or material or parts necessary in making repairs to machinery and equipment.

[Procurement Reg. 8]

PART 81—PROCUREMENT OF MILITARY SUPPLIES AND ANIMALS

FEDERAL, STATE AND LOCAL TAXES

Section 81.821 is amended as follows:

§ 81.821 Transportation of property—

(a) *Freight tax.* Section 3475 of the Internal Revenue Code (inserted by section 620 of the Revenue Act of 1942, and amended by Public Law 180, 78th Congress) imposes a tax of 3% upon the amount paid within the United States on and after 2 December 1942 for transportation of property on or after 1 December 1942 by rail, motor vehicle, water, or air from one point in the United States to another. In the case of coal, the rate of tax is four cents per short ton. The tax applies only to amounts paid to persons engaged in the business of transporting property for hire, including freight forwarders and express companies, but not including amounts paid

to forwarders and express companies for transportation for which a tax has previously been paid under the section. The tax is imposed upon the person making the payment subject to the tax. [See Treasury Regulations 113, 1943 ed., 8 F.R. 1433; T.D. 5312, 8 F.R. 16925.]

(b) *Exemptions from the tax.* The following payments are exempt:

(1) *Amounts paid for transportation originating prior to 1 December 1943.* An amount paid for the transportation of property, where such transportation originated prior to 1 December 1943 is exempt from the tax (i) if paid directly to a carrier by the United States or any agency or instrumentality thereof, or by a State, or political subdivision thereof, or (ii) if paid to the United States or any agency or instrumentality thereof. In either case an exemption certificate is not required.

(2) *Amounts paid for transportation originating on and after 1 December 1943.* An amount paid on or after 1 December 1943 for the transportation, originating on or after such date, of property to or from the Government of the United States, or any State, Territory, or political subdivision thereof, or the District of Columbia, is exempt from the tax. Where the shipping papers show the consignor or consignee to be the Government of the United States, or any State, Territory, or political subdivision thereof, or the District of Columbia, or an agency or instrumentality of any of the foregoing, such papers may be accepted by the carrier as proof of the exempt character of the shipment. A United States Government bill of lading may likewise be accepted as evidence of the exempt character of the shipment. In any case covered by the two preceding sentences, a certificate of exemption is not required. Amounts paid to the Post Office Department for the transportation of property are exempt from the tax.

(3) *Exports.* Amounts paid for transportation shown to be intended for export are also exempt, irrespective of the date when the transportation originates. No exemption certificate or certificate of exportation is necessary if the property is shipped directly from a point within the United States to a point outside the United States under a through bill of lading, or a through export bill of lading, showing a consignee and destination outside the United States. The term "United States", for this purpose, means the states, the territories of Alaska and Hawaii, and the District of Columbia.

(c) Cost-plus-a-fixed-fee contracts.

(1) Prior to the amendment of section 3475 of the Internal Revenue Code by Public Law 180, 78th Congress, the Commissioner of Internal Revenue ruled informally that the tax was applicable to amounts paid by cost-plus-a-fixed-fee contractors for transportation of property even though the Government was bound to reimburse the contractor.

(2) Under the amendment referred to in subparagraph (1) the mere fact that the amount of transportation charges was paid by, or that the shipment was

to or from, a cost-plus-a-fixed-fee contractor does not make such amount or shipment exempt from the tax. Of course, if the shipment is made to or from such a contractor, from or to the Government, or if, for any other reason, the amount in question is exempt (see subparagraphs (2) and (3) of paragraph (b)), the mere fact that the shipment is made in connection with a cost-plus-a-fixed-fee contract does not make such shipment or amount taxable.

(3) Shipments to or from a cost-plus-a-fixed-fee contractor are, in any case, exempt when made on a Government bill of lading.

(4) Contracting officers in administering cost-plus-a-fixed-fee contracts need not for the sole purpose of avoiding the payment of the transportation tax arrange to have the shipment made on a Government bill of lading, or made with the Government or an agency or an officer thereof (acting in his official capacity) as consignor or consignee. Cost-plus-a-fixed-fee contractors paying this transportation tax on transportation charges incurred in the performance of their contracts will be reimbursed for the amount of the tax so paid. However, cost-plus-a-fixed-fee contractors will not be authorized to reimburse their suppliers for the payment of this transportation tax under existing contracts or purchase orders, unless such existing subcontracts or purchase orders as presently written expressly authorize an adjustment of the price of the item in the event a tax is imposed on transportation.

[Procurement Reg. 9]

PART 81—PROCUREMENT OF MILITARY SUPPLIES AND ANIMALS

LABOR

Eight-Hour Law of 1912

In § 81.905 paragraph (d) is added as follows:

§ 81.905 *Applicability.* * * *

(d) *Dredge workers; basic law not applicable.* The Attorney General has expressed the opinion that the basic law is not applicable to the employment of members of the crew of a dredge or like floating plant (38 Op. A. G. 150 (1934)).

Wage and Salary Stabilization

In § 81.976a paragraph (1) of § 4001.1 quoted therein has been amended as follows:

§ 81.976a *Definitions.* (*Section 4001.1*). When used in these regulations, unless otherwise distinctly expressed or manifestly incompatible with the intent thereof—

* (1) The term "agricultural labor" shall mean persons who are employed in farming in any of its branches, including among other things the cultivation and tillage of the soil, dairying, the production, cultivation, growing and harvesting of agricultural or horticultural commodities, and the raising of livestock, bees or poultry: *Provided, however,* That the term "agricultural labor" shall not include any person whose salary pay-

ments, exclusive of bonuses and additional compensation and without regard to the contemplated adjustment, are at a rate, computed on an annual basis, which exceeds \$5,000 per annum.

The War Food Administrator, by regulation, may issue such interpretations of the definition in this paragraph as he finds necessary.

In § 81.979 paragraphs (e), (f) and (k) to (r) are amended as follows:

§ 81.979 *Jurisdiction and procedure of Regional War Labor Boards.* * * *

(e) *The handling of preliminary inquiries about jurisdiction.* (1) An employer or a union (or an employee, or a group of employees not represented by a union) directly concerned in a proposed wage or salary adjustment, may, jointly or separately, ask the nearest designated officer of the Wage and Hour and Public Contracts Division of the United States Department of Labor in the region (hereinafter referred to as the Wage and Hour Office) for a ruling as to whether the proposed adjustment may be made without Board approval. The request for a ruling, if filed by the employer alone, shall state whether there is a duly recognized or certified collective bargaining agent for any or all of the affected employees which has not joined with the employer in the request for the ruling, and if so, the name and address of such collective bargaining agent. If filed by a union, or on behalf of any or all of the employees, without joinder by the employer, the request for ruling shall state the name and address of the employer. If the request for a ruling affects any employees represented by a duly recognized or certified collective bargaining agent, and the employer or the collective bargaining agent has not joined in the request, a copy of the request for the ruling and the ruling shall, after the ruling has been made, be sent to the employer or the collective bargaining agent, whichever has not joined in the request, and to the appropriate regional attorney by the Wage and Hour Office.

(2) If said ruling is that the proposed wage or salary adjustment may be made without approval of the Board:

(i) The ruling shall be deemed to be authoritative and shall remain in effect unless reversed as provided below.

(ii) If, on receipt of the ruling from the Wage and Hour Office, it is reversed by the regional attorney (after consultation, where necessary, with the regional wage stabilization director), the Wage and Hour Office shall be notified promptly, and it shall immediately notify the person or persons who made the inquiry that the adjustment requires approval. If in the meantime the employer has made the adjustment, relying upon the ruling by the Wage and Hour Office that it did not need approval:

(a) The adjustment may be continued in effect for a period of ten days following the notification by the Wage and Hour Office, within which period the employer may file with the Wage and Hour Office (jointly with a duly recognized collective bargaining agency, or by himself, as subsequently provided), an appli-

cation for approval of the adjustment and

(b) If such an application is so filed, the adjustment may be further continued in effect until and unless it is finally disapproved. Such disapproval shall take effect only from the date of the issuance of the order of disapproval.

(iii) If the Wage and Hour Office to which an inquiry has been addressed rules that the proposed adjustment cannot properly be made without approval, the ruling shall be deemed to be authoritative. The person or persons who made the inquiry may seek from the regional attorney, by written petition filed within 10 days after the ruling of the Wage and Hour Office, a reversal of the ruling. The regional attorney's ruling (after consultation, where necessary, with the regional wage stabilization director) on the question so submitted shall be final and shall be transmitted to the applicant and to the other parties, if any, required by subparagraph (1) of this paragraph, through the Wage and Hour Office.

(f) *The filing of applications for approval of wage or salary adjustments.*

(1) Each application for approval of proposed voluntary wage or salary adjustments (other than those described in paragraph (c)) shall be filed with the nearest Wage and Hour Office in the region. All applications shall be made upon appropriate forms prepared by the National War Labor Board.

(2) Such applications may be of two kinds. The first kind, in which approval is sought of an adjustment agreed upon by the parties, may be signed by any party (or jointly by any or all the parties) to the contract. The application shall state whether all the parties to the contract have signed the application and shall state the name and address of each party who has not signed the application. If there be any such party who has not signed, the Wage and Hour Office at which the application was filed shall, as agent of the Board, before acting on the application, send said party a notice of the application. The notice shall request the party to state whether he contests the fact of the contract having been made. If, within seven days of the sending of the notice, he has not filed a statement contesting such fact or if he files a statement admitting it, the application will then be acted upon. If he contests the fact of the contract having been made, the matter will be determined to be a dispute case and the application Form 10 will be returned to the party which filed the application, and a copy of the letter returning the application will be sent to the contesting party, unless (i) the contract was in writing, (ii) the writing or a certified or otherwise authenticated copy thereof has been produced, and (iii) the Wage and Hour Office is satisfied that no substantial question exists as to the party being a party thereto. Where the Wage and Hour Office is so satisfied, it shall rule accordingly and proceed with the handling of the application. The ruling may be reviewed (on petition of the protesting party) by the regional attorney when the application is transmitted to

the regional war labor board under subparagraph (7) of this paragraph. His ruling shall be final.

(3) The second kind of application, in which an employer on his own initiative wishes to make a wage or salary adjustment, shall be signed either (i) jointly by the employer and a duly recognized collective bargaining agent for any or all of the employees who are to be effected by the proposed wage or salary adjustment, or (ii) by the employer alone. In either case the application shall state whether or not there is a duly recognized collective bargaining agent (for any or all of the affected employees) which has not joined with the employer in the application. If it appears that there is such an organization which has not so joined, the Wage and Hour Office at which the application was filed shall, before acting on the application, send to the appropriate local officials of such organization a notice of the application, requesting the organization, if it has any objections to the application being acted upon, so to inform the office. If no such objections are filed within seven days of the sending of the notice, or if the organization in question states that it has no objections, the application will then be acted upon. If objections are made within said period, the matter will be determined to be a dispute case and the application Form 10 will be returned to the party which filed it and a copy of the letter returning to the application will be sent to the contesting party. No action shall, however, be taken by the Regional Board on any application after the National Labor Relations Board or a similar State agency has ordered the holding of an election to determine the status of a labor organization as the collective bargaining agent of any of the employees involved in the application. As used here the term "duly recognized collective bargaining agent" referred either to a labor organization which has actually been recognized by the employer for the purpose of collective bargaining or to a labor organization which has been certified by the National Labor Relations Board or a similar State agency where the legal result of such certification is that the employer is obligated to bargain with the union. Where a labor organization has not been duly recognized or certified, it may not receive a copy of the application, but upon inquiry it shall be told whether or not an application has been filed.

(4) In cases where the employer has signed or joined in signing an application for approval of a wage or salary increase he shall state in the application whether he intends to make the proposed increase, if approved, the basis of the application to the Office of Price Administration for an adjustment of his maximum prices or for an amendment of the regulations establishing those prices.

(5) In cases where the employer has not signed or joined in signing an application for approval of a wage or salary increase, he shall be requested in the notice of the filing of the application sent to him by the Wage and Hour Of-

fice to state whether he intends to make the proposed wage or salary increase, if approved, the basis of an application to the Office of Price Administration for an adjustment of his maximum prices or for an amendment of the regulations establishing those prices. He shall be asked to make this statement (i) within seven days of the sending of said notice or (ii), if (as described in subparagraph (2) above) he contests the fact of the agreement or arbitration award having been made, within seven days of any ruling by the Wage and Hour Office finding him to be a party to said agreement.

(6) If the employer states that he intends to make the proposed wage or salary increase, if approved, the basis of an application to the Office of Price Administration for an adjustment of his maximum prices or for an amendment of the regulations establishing those prices, (i) his statement shall be entered in an appropriate place on the application before the application is acted on by the regional wage stabilization director as director as provided below, and (ii) the employer will be required to furnish further information, the nature and effect of which will be set forth under paragraph (j) of this section.

(7) When an application has been submitted to a Wage and Hour Office and no preliminary inquiry about jurisdiction has been made under paragraph (e) of this section, the office shall first make certain that the application needs approval. If the office believes that approval is not or may not be required by the applicable regulations and orders, the office shall proceed exactly as if the applicant had asked for a preliminary ruling on jurisdiction. If no jurisdictional question is involved or if such a question has been cleared up under paragraph (e) of this section, the Wage and Hour Office shall see that appropriate forms are fully and accurately filled out and shall transmit them to the regional wage stabilization director of the appropriate regional war labor board.

(8) Upon receipt of the application, the regional wage stabilization director, acting in collaboration with the regional attorney, shall first make certain that the application requires Board approval (unless this question has already been ruled upon and determined under paragraph (e) of this section). If it is determined by the regional attorney that the application does not require Board approval, a written ruling to that effect shall be made and copies sent to the applicant or applicants. If it is determined that the application requires Board approval, it shall be acted upon as provided in paragraph (i) of this section. In any case, the regional wage stabilization director may, before acting, obtain further needed information informally from the applicant or applicants, from the Wage and Hour Office, from the United States Bureau of Labor Statistics, or any other source or refer the application back to the Wage and Hour Office for such information as he may specify. In cases where the application reveals that the employer intends to make the proposed increase the basis of an application to the Office of Price Administra-

tion for an adjustment of his maximum prices or for an amendment of the regulations establishing those prices, the Regional Wage Stabilization Director shall send a copy of the application to the Office of the Economic Advisor, Office of Price Administration, Washington, D. C.

(k) *Authority of Regional War Labor Boards.* A description and the extent of this authority is set forth in paragraphs (i) to (r), inclusive, of this section.

(l) *Applications for approval of voluntary wage or salary adjustments.* (1) Each Regional War Labor Board shall have authority to approve or disapprove applications for voluntary wage or salary adjustments.

(2) Each such ruling shall be final, subject only to the National War Labor Board's right to review on its own initiative, or on a petition for review, as provided for in paragraph (n) of this section. Any reversal or modification of such ruling by the National War Labor Board shall take effect only from the date of its issuance. *Provided, however,* That if a ruling denying an application for permission to make a wage or salary adjustment is overruled, the final ruling of the National War Labor Board shall incorporate as the effective date of the adjustment the date specified in the application or such other date as the National War Labor Board shall specify.

(3) Copies of all such rulings and of any accompanying opinions (together with such other material as the Wage Stabilization Division may require) shall, when issued, be filed with the National War Labor Board.

(4) Rulings of the Regional Board on voluntary applications for approval of wage or salary adjustments shall take effect when issued to the parties. Such rulings may be issued to the parties when made, except that if any member of the Regional Board who votes upon a ruling which is not unanimous requests that it be stayed, such ruling shall forthwith be transmitted by the Regional Board to the National War Labor Board and may be issued to the parties only upon the expiration of ten days after its receipt in Washington, unless (i) the ruling is earlier approved by the Board or (ii) within such ten-day period the National War Labor Board sets the case down for review. In the latter event the Executive Assistant to the National War Labor Board shall notify the Regional Board, and the issuance of the ruling to the parties shall be stayed until the case is finally disposed of.

(m) *Directive orders in dispute cases.* (1) Regional War Labor Boards are authorized to issue directive orders in dispute cases in conformity with the policy of the National War Labor Board. Each such directive order shall bear the date of its actual issue and shall be issued to the parties when made. If after the issuance of such an order no timely petition for review is filed (as provided in paragraph (n) of this section), and if the National War Labor Board within such a period does not review the order on its own motion, the order shall on the day following the last day for filing

such a petition stand confirmed as the order of the National War Labor Board and shall immediately be effective according to its terms: *Provided*, That the National War Labor Board may at any time prior to the expiration of the time for the filing a petition for review make such an order, or any part thereof, immediately effective pending any further proceedings. If a timely petition for review of a directive order of a Regional Board is filed by a party, or if the National War Labor Board reviews such an order on its own motion, the entire order shall be suspended, unless the National War Labor Board directs, or has directed, otherwise, or unless the parties otherwise agree. However, the date of expiration of the escape period fixed in a directive order of a Regional Board granting a maintenance of membership provision shall not be affected by the filing of a petition for review of this or any other provision of the order.

(2) Copies of all directive orders and of any accompanying opinions (together with such other material as the Wage Stabilization Division may require) shall, when issued, be filed with the National War Labor Board.

(n) *Petitions for review.* (1) Within 14 days after a Regional Board issues a ruling denying or modifying a voluntary application for approval of a wage or salary adjustment or issues a directive order in a dispute case, any party to the case may file with the Board at Washington, D. C., an original and four copies of a petition, including supporting documents, seeking review by the Board of such ruling or directive order. The petition shall (i) state the petitioner's reasons for believing that one or more of the criteria set forth below is satisfied, (ii) set forth fully and in detail the contentions of the petitioner with respect to the merits of each issue raised by the petition, with specific references to any pertinent portions of the record in the case, and (iii) state that a copy of the petition has been served upon the other parties to the case and upon the Regional Board whose ruling or order is sought to be reviewed and the dates of each such service.

(2) No such petition shall be granted unless the petitioner has demonstrated by substantial proof that (i) the order exceeds the National War Labor Board's justification, or (ii) the order contravenes the established policies of the National War Labor Board, or (iii) a novel question is involved of such importance as to warrant national action, or (iv) the procedure resulting in the order was unfair to the petitioner and has caused substantial hardship. The party filing a petition shall at the same time serve a copy thereof, together with any supporting documents, upon each of the other parties to the proceeding and upon the Regional Board.

(c) *The answer.* Any party desiring to file an answer must do so within 14 days after receipt of the petition. An original and four copies of the answer shall be transmitted to the National War Labor Board in Washington, D. C., a copy shall at the same time be served upon

the Regional Board and upon each of the other parties to the case. Such an answer shall include a statement that a copy thereof has been served as required above, and shall show the date of such service. An answer may not contain a request for review of an order or any part thereof; such a request must be filed, if at all, in the form of a petition for review in the manner and within the time limit provided in paragraph (n) of this section. Each answer should state fully but concisely the respondent's reasons for believing (1) that the petition ought not to be entertained, and (2) that, if the National War Labor Board decides to entertain the petition, the petition should be denied on the merits. The Regional Board may, within the same period, file comment on the petition with the National War Labor Board, copies of which shall be served upon the parties.

(p) *Decisions of the Board.* The National War Labor Board will make its decision on a petition for review upon the basis of the record before the Regional Board and on the basis of the petition, the answer, if any, the recommendations of the Appeals Committee, and such further argument and proof as the National War Labor Board may require. If the petition for review is denied because the grounds for review set forth therein are deemed to be sufficient, the National War Labor Board shall issue an appropriate directive order or ruling adopting as its own the ruling or order to which the petition relates. If the petition for review is granted, the National War Labor Board will issue an appropriate directive order or ruling adopting, reversing, or modifying the order or ruling to which the petition relates or remanding the case to the Regional Board for such further action as is specified in the order or ruling of the National War Labor Board.

(q) *Review by the Board on its own motion.* The National War Labor Board may, on its own motion, assume jurisdiction over any case at any stage of the proceedings either before or after the issuance of the final order or ruling of the Regional Board.

(r) *Reconsideration of directive orders and rulings.* (1) Regional War Labor Boards may reconsider directive orders or rulings on their own motion or on petition, except, while the case is under consideration by the National Board following the granting of a petition for review, or the taking of review by the National Board on its own motion.

(2) The party petitioning for reconsideration shall serve a copy of the petition on all other parties at the same time that it is filed with the Regional Board. The filing of such petition does not preclude the filing of a petition for review, but shall not extend the time for filing with the National War Labor Board a petition for review nor change the date when the directive order takes effect.

(3) The Regional Board shall not act on any petition for reconsideration of a directive order or ruling unless (i) the petition is filed within fourteen days after issuance of the order or ruling in

question and sets forth with particularity the grounds upon which the petition is based, or, (ii) the petition is filed promptly upon the petitioner's discovering material and substantial evidence which the petitioner was unable, despite due diligence, to discover in time to present to the Regional Board before it issued its order or ruling, and sets forth with particularity such evidence, or (iii) the petition is filed promptly upon the occurrence of events after the date of the order or ruling which make the order or ruling harsh or unfair, and set forth with particularity such events. If a petition for reconsideration is filed under subdivision (ii) or (iii) of this subparagraph, and the Regional Board deems that the evidence submitted warrants reconsideration of the directive order or ruling, it shall provide the parties a hearing on such new matters.

(4) Regional Boards may adopt rules further restricting reconsideration. Refusal of reconsideration by a Regional Board shall have no bearing on the validity of a petition for review.

In § 81.980bb paragraph (a) is deleted.

§ 81.980bb *General Order No. 31.* ***

(a) *Statement of 17 June 1943, by National War Labor Board regarding General Order No. 31.* [Deleted]

Section 81.981f is added:

§ 81.981f *Shipbuilding stabilization committee.* Part I of the National War Labor Board's directive order of January 7, 1943, in accordance with Title III, section 3, of Executive Order No. 9250, permitted the Shipbuilding Stabilization Committee to continue to perform its functions. Part II of the directive order created the Shipbuilding Commission. By directive order of August 9, 1943, the National War Labor Board vacated Part II of its directive order of January 7, 1943, and re-constituted the Shipbuilding Commission (§ 81.981e). Part I of the directive order of January 7, 1943, is as follows:

PART I—SHIPBUILDING STABILIZATION COMMITTEE

A. Title III, section 3, of Executive Order No. 9250 of October 3, 1942, provides: "The National War Labor Board shall permit * * * the Shipbuilding Stabilization Committee * * * to continue to perform its functions * * * except insofar as any of them is inconsistent with the terms of this order." Pursuant thereto, the Shipbuilding Stabilization Committee shall continue to perform the functions ascribed to it by General Administrative Order No. 2-57 of the chairman of the War Production Board and by the Shipbuilding Stabilization Zone Standards Agreements as amended May 10, 1942.

B. No new wage rate fixed by Zone Standards Agreement shall become effective until approved by the National War Labor Board.

Sections 81.983a and 81.983b are deleted.

§ 81.983a *Statement of November 12, 1942.* [Deleted]

§ 81.983b *Statement of December 20, 1942.* [Deleted]

In § 81.983d paragraphs (b) (1) and (c) are amended as follows:

§ 81.983d *Procédure under Executive Order 9250.* * * *

(b) * * *

(1) Advise each such contractor of the particulars in which probable non-compliance appears and request that he consult the Regional War Labor Board or Salary Stabilization Regional Office which has jurisdiction over approval of wage rates in the case. (See §§ 81.977c (a) and 81.979 (a) for list of Regional Offices.)

(c) The technical services have the responsibility of establishing within their services appropriate procedures for the reporting of apparent violations to the proper Government agency. Such procedures should be devised to restrict contacts with such agency solely to the transmittal of a report containing the information listed in paragraph (b) of this section.

[Procurement Reg. 10]

PART 81—PROCUREMENT OF MILITARY SUPPLIES AND ANIMALS

PLANT FACILITIES EXPANSIONS

Section 81.1004 is amended as follows:

§ 81.1004 *Tax amortization.* Under the provisions of section 124 of the Internal Revenue Code the cost of facilities may, for the purpose of computing taxable income, be amortized over a period of 60 months (or under certain circumstances, a shorter period) when a certificate has been issued by the Secretary of War or the Secretary of the Navy that the acquisition or construction of such facilities is necessary in the interest of national defense during the emergency period. Said section 124 is inapplicable to the acquisition or construction of facilities financed under a plan of the type described in Plans III, IV, or V in § 81.1006. In order to obtain the benefits of such amortization the applicant must obtain a certificate of necessity. The appropriate place to file an application for such a certificate and the procedure for processing such an application are outlined in §§ 81.1016 to 81.1019 of this Procurement Regulation No. 10.

Section 81.1015b is added as follows:

§ 81.1015b *Transfer to the War Production Board of authority to issue certificates of necessity.* Under date of 17 December 1943 the functions, powers and duties of the Secretary of War and the Secretary of the Navy with respect to certification, pursuant to section 124 of the Internal Revenue Code (see § 81.1004), were transferred to the Chairman of the War Production Board. This Executive Order specified that the Secretary of War and the Secretary of the Navy should act upon

(a) All applications for necessity certificates filed before 5 October 1943 (see §§ 81.1016 to 81.1019 for procedure for filing and processing), and

(b) Applications for necessity certificates filed between and including 5 Oc-

tober 1943 and 17 December 1943 describing facilities, the beginning of the construction, reconstruction, erection, installation or the date of acquisition of which was prior to 5 October 1943 (see §§ 81.1016–81.1019 for procedure for filing and processing; see also § 81.1020). All other applications will be governed by the regulations of the War Production Board (8 F.R. 16964). In general these regulations contemplate that the application will be filed with the War Production Board and not with any agency of the War Department.

The introductory paragraph of § 81.1016 is amended as follows:

§ 81.1016 *Information to be submitted in application.* Applications for Necessity Certificates (of the type described in paragraphs (a) and (b) of § 81.1015b) should contain the information and be executed in the manner indicated in the following publications:

Section 81.1017 is amended as follows:

§ 81.1017 *Place of filing application.* (a) Applications for certificates of necessity (of the type described in paragraphs (a) and (b) of § 81.1015b) should ordinarily be filed with the Tax Amortization Branch, Headquarters, Army Service Forces, Washington, D. C. In some instances, taxpayers, unfamiliar with the procedure, may file applications with officers of the technical services. An original and one copy of applications thus filed, will be promptly forwarded by the officer, through the chief of the technical service concerned to the Tax Amortization Branch, Headquarters, Army Service Forces. The third copy will be retained in order to enable the officer to make investigation and report pursuant to § 81.1013 (e).

(b) As to all other applications see § 81.1015b.

The introductory paragraph of § 81.1018 is amended as follows:

§ 81.1018 *Procedure for processing applications.* The following procedure will govern the processing of applications (of the type described in paragraph (a) and (b) of § 81.1015b):

Section 81.1020 is added as follows:

§ 81.1020 *Memorandum of the Under Secretary of War.* Under date of 5 October 1943 the Under Secretary of War issued the following memorandum:

On 5 October 1943 the regulations governing the issuance of Necessity Certificates under section 124 of the Internal Revenue Code were amended by the following addition:

3 (d) The construction, reconstruction, erection, installation, or acquisition of a facility shall not be deemed necessary unless (1) the beginning of the construction, reconstruction, erection, installation, or the date of acquisition of such facility, was prior to October 5, 1943; or (2) an application for a Necessity Certificate describing such facility was filed before October 5, 1943; or (3) the Secretary of War or the Secretary of the Navy, in exceptional cases, has determined prior to the beginning of such construction, reconstruction, erection, installation, or the date of such acquisition that there is a shortage

of facilities for a supply required for military or naval uses and that it is to the advantage of the Government that additional facilities for such supply be privately financed.

It will be noted that unless the beginning of construction, reconstruction, erection or installation, or the date of acquisition, of the facility was prior to 5 October 1943, Necessity Certificates will not be granted unless decision to that effect has been made before the facility was begun or acquired.

Every effort will be made to avoid the creation of additional facilities by requiring full use of existing facilities. Where additional facilities are required by a company or individual which is unable or unwilling to finance them privately without the benefit of a Necessity Certificate, efforts will be made to supply the need from Government facilities presently owned. In cases where this is impossible or impracticable, contractual arrangements for Governmental financing should be made.

In the exceptional case where this cannot be done, a full report and recommendation will be submitted to the Under Secretary of War, explaining the reasons for determining (a) that there is a shortage of facilities for the supply required and (b) that such facilities should be privately financed. The Tax Amortization Branch, Purchases Division, Army Service Forces, is designated as the agency which will receive such reports on behalf of the Under Secretary of War.

You will bring this to the attention of all procurement agencies promptly.

[Procurement Reg. 11]

PART 81—PROCUREMENT OF MILITARY SUPPLIES AND ANIMALS

MISCELLANEOUS PURCHASE INSTRUCTIONS

In § 81.1133 paragraph (b) is amended as follows:

§ 81.1133 *Procedure for obtaining exemption under developmental and secret contracts and emergency purchases or for relief from a price regulation.* * * *

(b) *Procedure under secret contracts.* To obtain exemption of the sale or delivery of any commodity manufactured or service supplied pursuant to a secret contract or subcontract it is necessary that it be certified as such to the OPA by the purchasing agency. Such certification need only set forth the date of the secret contract and its number or other designation, not including the commodity covered or the name or address of the supplier. This certification should be sent to the Chief, Office Services Branch, Security Officer, Office of Price Administration, Federal Office Building No. 1, Washington (25), D. C.

[Procurement Reg. 12]

PART 81—PROCUREMENT OF MILITARY SUPPLIES AND ANIMALS

RENEGOTIATION AND PRICE ADJUSTMENT

In § 81.1204 paragraph (i) is amended and paragraph (j) is added as follows:

§ 81.1204 *Exemptions from statutory renegotiation.* * * *

(i) *No authority to grant exemption from renegotiation in connection with termination settlements.* The authority has been revoked which was previously

(C) The undersigned hereby offers to furnish to the Government the items, in the quantities, at the prices, and upon the delivery schedule set out below, and in strict accordance with the specifications inclosed with the Government's Request for Proposal dated _____, 194__.

NOTE 5: Specify and describe on separate sheets the nature of the expenses included in lines 10 to 13 and the basis of their calculation.

Title VI—Indirect Factory Expenses

	Col. 1	Col. 2	Col. 3
	Proposed contract, estimated amount (if information is readily available)	Budgeted forecast of expenses for plant, department, or company for period	Operating statement for last fiscal year ended
1. Labor.....	\$.....	\$.....	\$.....
2. Superintendence.....	\$.....	\$.....	\$.....
3. Supplies.....	\$.....	\$.....	\$.....
4. Maintenance and repairs.....	\$.....	\$.....	\$.....
5. Depreciation.....	\$.....	\$.....	\$.....
6. Taxes and other expenses (specify and describe on separate sheets).....	\$.....	\$.....	\$.....
7.....	\$.....	\$.....	\$.....
8.....	\$.....	\$.....	\$.....
9.....	\$.....	\$.....	\$.....
10.....	\$.....	\$.....	\$.....
Total.....	\$.....	\$.....	\$.....

Title VII—General Expenses

1. Royalties and license fees.....	\$.....	\$.....	\$.....
2. Administrative salaries.....	\$.....	\$.....	\$.....
3. Depreciation.....	\$.....	\$.....	\$.....
4. Other administrative expenses (specify and describe on separate sheets).....	\$.....	\$.....	\$.....
5.....	\$.....	\$.....	\$.....
6.....	\$.....	\$.....	\$.....
7.....	\$.....	\$.....	\$.....
8. Miscellaneous.....	\$.....	\$.....	\$.....
Total.....	\$.....	\$.....	\$.....

Title VIII—Accounting Methods

State briefly the method used in estimating costs, including (see last paragraph of Request for Proposal): (a) Method of allocation of indirect factory expenses, selling and general expenses, and any other costs subject to allocation; (b) general depreciation rates and basis for charging accelerated depreciation; (c) a statement as to whether or not the methods and general rates used in (a) and (b) above are consistent with such used in the last 5 years, with explanation of changes, if any; (d) the extent burden applicable to idle or excessive facilities, if any, has been apportioned to this proposal; (e) a statement that no charge for depreciation on Government-owned facilities has been included in the estimated costs; (f) the amount of rental on Government-owned facilities included in estimated costs; and (g) a general description of engineering and development expenses included in this proposal and the method of amortization thereof.

Title IX—Other Costs

1. Submit unit cost breakdown, similar in content to columns A and B of title V, for sets of spare parts.
2. Submit cost breakdown per set for the packaging and boxing of spare parts.
3. Submit unit cost breakdown for packaging and boxing of each of the items covered by this proposal.

(c) Instructions for filling out contractor's proposal.

Budget Bureau Approval
No. 49-R-147

WAR DEPARTMENT

Instructions for Filling Out Contractor's Proposal, Standard Procurement Form Number 2.

Read all instructions carefully before filling out form

Fill out the Contractor's Proposal in-----

When spaces on that form are insufficient for a complete answer, use separate sheets. Start each answer with the number or letter of the title or portion thereof which is being answered.

Heading: (At (A) insert the contractor's name, and on right-hand side of page 1 fill in date in space provided therefor.

Paragraph (B): Insert short description of item(s). Examples: "Radio TGR508"; Shell, H.E. 20mm, MK.1."

Paragraph (C): Insert date of Request for Proposal.

Paragraph (E): Insert proper contract form number and list of optional clauses to be included in contract. See first paragraph of Request for Proposal. If contractor is not familiar with the contract form, he may obtain a copy from the contracting officer.

Paragraph (F): Insert number of last title required to be answered (see last paragraph of Request for Proposal) and number of supplementary sheets attached to Contractor's Proposal.

Signature (G): Fill in contractor's name. Contractor or duly authorized representative is to sign on third line, and his title is to be shown on fourth line.

Title I

(a) Indicate by "X" whether contractor is corporation, partnership, or individual, and give the other pertinent information requested.

(b), (c), and (d) Self-explanatory.

Title II—Scope of Proposal

(A) In filling out the table, refer to Request for Proposal and follow (1) the item numbers, (2) description of items, (3) quantities, and (4) units. As to each item show in the appropriate column (5) unit price and (6) total prices. If any entry in the first four columns does not follow the Request for Proposal, state on the first line of the table "Differs from Request."

(B) On line 1 fill in the total of column (6) of the table. On line 2 fill in amount of additional facilities which contractor proposes to manufacture or acquire for the Government's account, to be used in connection with the production covered by the proposal. This figure should be the total of the cost of additional facilities referred to in paragraph 7 (a) of Title IV. If additional facilities are necessary, answer paragraph 7 (a) of Title IV. Do not include any part of these costs in the unit prices. Show the total of lines 1 and 2 on line 3.

(C) Taxes: Except as otherwise expressly directed in any instance:

1. Contractor shall exclude from his proposed prices:

(a) All Federal excise taxes enumerated in Chapters 25 and 29, Internal Revenue Code, applicable to the completed supplies or work covered hereby; and

(b) All Federal excise taxes enumerated in Chapters 25 and 29, Internal Revenue Code, applicable to the component parts, articles or units of the completed supplies or work of which the contractor himself is the manufacturer, importer, or producer; and

(c) All State and local taxes from which an exemption is available for purposes of this procurement.

2. Contractor shall include in his proposed prices:

(a) All Federal excise taxes enumerated in Chapters 25 and 29, Internal Revenue Code, applicable to the materials or component parts to be incorporated in the completed supplies or work (other than those mentioned in paragraph 1 (b) above; and

(b) All other Federal taxes, charges, or duties of any nature whatsoever, including without limiting the generality of the fore-

going, the Federal excise tax on the transportation of property imposed by Chapter 30, Internal Revenue Code; and

(NOTE: If the completed supplies are taxable articles under Chapters 25 and 29, Internal Revenue Code, contractor's purchase of materials to be incorporated in the supplies is exempt from tax under Section 3442 (1), Internal Revenue Code, and credits or refunds may be obtained under Section 3443 (a) (1). No tax on such materials shall be included in the price.)

(c) All State or local taxes other than those mentioned in paragraph 1 (c) above.

3. Tax Exemption Certificates, where applicable, will be issued for the amount of any tax excluded from the price, as to which an exemption is available. In making application therefor, list all pertinent data in support of the application.

(D) Complete by inserting the description and amount of Government-furnished material which is specified in the Request for Proposal or which is essential for performance of proposed contract. If this list does not follow the Request for Proposal, write after the word "Government," "Differs from Request."

(E) Strike "will" or "will not" in order to show contractor's intention. If contractor will take title to scrap from Government-furnished material, enter the amount by which the unit prices listed in the table have been reduced.

(F) Insert unit costs of packaging and boxing each of the items, identifying those costs for each of the items.

Title III—Delivery Schedule

Insert f. o. b. delivery point, writing in "Differs From Request" if the delivery point differs from that contained in the Request for Proposal.

The delivery schedule should be completed in the same manner as that appearing in the Request for Proposal. If the delivery dates specified in the Request for Proposal cannot be met, insert the earliest possible delivery dates, and state on first line of table "Differs from Request."

(NOTE: Before giving information called for by Titles IV to IX, read the last paragraph of the Request for Bid, for a listing of portions of such Titles which are to be answered. For many contracts it will not be necessary to complete the entire proposal.)

Title IV

1. If actual figures are not readily available, give approximate figures.

2. Give approximate average number of employees in 1940. This figure may be obtained by taking the average number per day period, or the average of the quarterly figures reported to the Bureau of Internal Revenue and the Bureau of Old Age and Survivors Insurance on Form SS 1a. An estimate of need of additional employees may be used.

3. If proposed contract is not to be financed from contractor's working capital or through usual commercial channels, contractor should make inquiry as to the possibility, manner, and extent of any other method of financing before it is checked in the Proposal. This office will assist contractor with respect to such inquiry. Fill in amount if a Government-guaranteed loan is contemplated, and percent of total contract price if advance payment is to be formally requested.

4. (a) Strike "has" or "has not." Insert in first blank name of Board or Section which renegotiated contract, and in second blank the fiscal period covered by the renegotiation. (b) Include summary in supplementary sheets, identifying the question answered. (c) Insert in the blank a brief statement showing state of progress of any pending renegotiation.

(NOTE: Submit answers to the remaining paragraphs of this Title on numbered, plain white sheets of approximately the same size as the Proposal, except as to paragraphs where the answer is "None," in which cases that

word may be inserted at the end of such paragraphs on the form itself. Give the number of the title or portion thereof at the beginning of each answer.)

5. Subcontractors, as that term is used in the Proposal, are suppliers of parts and components, completely or partially fabricated, and of materials which are fabricated to meet individual specifications for use in performance of proposed contract. List proposed subcontractors for the larger components and parts only. When several subcontractors are being considered for the same part, list all of them as alternative suppliers, together with the quantities which may be purchased from each. Indicate which, if any, of the proposed suppliers is an affiliate, subsidiary, division of, or is otherwise legally related to the contractor, or is controlled by an officer or major owner of contractor. Indicate the nature of such relationship.

6. List each separately: (a) Land, (b) buildings, (c) machinery and equipment, (d) tools, jigs, and fixtures, and (e) rehabilitation expense.

7. List each item of equipment or other facilities separately under (a) Government-owned facilities and (b) contractor-owned facilities for performance of proposed contract. Supply information under the following headings: (1) Name of Item, (2) Size and Type, (3) Operation for Which Required, (4) Use by Prime or Subcontractor, (5) New or Used, (6) Total Cost, including price, transportation and installation.

8. (a) Describe agreements to pay commissions, etc., giving names and addresses of other parties to agreement, amounts and bases of calculation of such fees, and conditions upon which they are proposed to be paid. (b) Where contractor has information concerning similar agreements in connection with one or more subcontracts, that information should be furnished in like detail to the extent possible.

9. State amount of patent royalties per unit and total, describe method for calculating these amounts, list licensors, the particular feature or features of the subject items which are covered by the royalty agreement, and numbers and dates of patents or applications involved.

10. Describe any manufacturing operations which in contractor's judgment have any special significance for an understanding of the costs under the proposal. At contractor's request such information may be used as basis for a special provision in the contract relating to the production process and the machine tools used in the production.

Title V

Before supplying information under Titles V to IX check the last paragraph of the Request for Proposal to ascertain whether and what part of those titles need be completed. Carefully read and follow the notes appended to Title V.

Follow the classifications listed unless the contractor's regular accounting system requires another type of breakdown, in which case that breakdown should be substituted.

The cost breakdowns are required to give the contracting officer as complete an understanding of the contractor's operations as possible. The inclusion or exclusion of individual cost elements under this form does not indicate the propriety or impropriety thereof.

When the proposed contract covers more than one item (not including spares) supply a separate breakdown for each of such items. Specify in the space provided, the item covered by each breakdown. In such case column C need be filled out in only one of the cost breakdowns.

When entries are made on lines 10 to 15 for Selling Expenses, Contingencies, and Other Expenses, specify and describe on separate sheets the nature of the expenses and the basis of their calculation.

Column B. Fill out heading. Insert contract number, dates when production was started and completed under the contract, and the quantity of production.

Column C. Fill in date of end of fiscal year covered.

Fill in dollar amounts for each line required. For each item of cost, calculate percentage of total costs and enter on appropriate lines.

Title VI—Indirect Factory Expenses

Follow the classifications listed unless the contractor's regular accounting system requires another type of breakdown, in which case that breakdown should be substituted.

Where entry is made on line 6, Taxes and Other Expenses, or on the following lines, specify and describe on the separate sheets the nature of such taxes and other expenses and the reasons for their inclusion.

Title VII—General Expenses

Follow the classifications listed unless the contractor's regular accounting system requires another type of breakdown, in which case that breakdown should be substituted. When Other Administrative Expenses are included specify and describe on separate sheets.

Title VIII—Accounting Methods

The information called for under Title VIII should be given in sufficient detail to enable the contracting officer to understand the accounting methods employed by the contractor.

Title IX—Other Costs

1. Costs of Spare Parts: See instructions under Title V. Show costs of preparation and boxing as one item of cost. Submit a list of the prices which the contractor paid or proposes to pay for important subcontracted items.

2. Cost of Packaging and Boxing of Spare Parts: Submit a cost breakdown that seems clearest to the contractor. When special packaging constitutes a substantial part of total costs, the explanation might start with the cost of regular packaging and then proceed with an explanation of the differences between the cost of regular packaging and that of special packaging.

3. Cost of packaging and Boxing of Major Items: The cost of packaging and boxing of items other than spare parts is to be included in the costs shown under Title V (when an answer to that title is required) and is to be shown separately under this title. Submit a cost breakdown that seems clearest to the contractor. See suggestion in the next preceding paragraph.

[Procurement Reg. 7]

PART 83—DISPOSAL OF SURPLUS AND UN-SERVICEABLE PROPERTY

DISPOSITION OF PROPERTY

Section 83.705a is added:

§ 83.705a Federal excise taxes on property sold. Where property which is subject to Federal excise tax is sold, provisions governing the collection of such taxes found in § 81.814 of these Procurement Regulations will be observed.

[Procurement Reg. 16]

PART 88—TERMINATION OF CONTRACTS

TERMINATION OF CONTRACTS

Section 88.15-311 is amended as follows:

§ 88.15-311 Settlement of contracts containing no termination article. (a)

When the Government desires to terminate contracts containing no termination article, the prompt termination and final settlement of such contracts are in the interest of the Government. Such action will assist materially in enabling contractors affected by terminations to undertake other war work or other productive enterprise at an early date in a manner consistent with the public interest. Accordingly, pursuant to the First War Powers Act, 1941, and Executive Order 8001, there is hereby delegated to the chiefs of the several technical services the authority set forth in subparagraphs (1), (2) and (3) below. It is determined that the execution of supplemental agreements in accordance with the authority so delegated will facilitate the prosecution of the war.

(1) Contracts containing no termination article may be terminated and finally settled by supplemental agreement where such termination is to the interest of the Government. Pending the execution of such a supplemental agreement work may be suspended.

(2) Usually it will be desirable to provide for stopping work on such contracts well in advance of making a settlement. In such cases the contracting officer will attempt to amend the contract by supplemental agreement with the contractor so as to include in the contract the standard termination article for use in the type of contract involved (e.g. § 81.324). Once the amendment to include such an article is made, any termination may proceed in accordance with its provisions.

(3) If the contractor will not agree to include a standard termination article in the contract by amendment, the chief of any technical service, without the approval of higher authority, may make an agreement for the discontinuance of performance and settlement of such a contract, or provide for its settlement by reason of such termination, in such form as he may deem for the best interests of the Government.

(b) If no satisfactory agreement for the termination of such a contract can be made, the chief of the technical service concerned, acting personally or through the settlement review committee designated pursuant to § 88.15-220 (b), may authorize the contracting officer to order the contractor to discontinue further performance. Where speed is essential such authority may be granted by teletype or telegraph. The contractor may thereafter present his claim, if any, for damages arising out of this order, to the General Accounting Office or to the courts for settlement. Where such action is taken special care will be taken to record and preserve the circumstances and reasons leading to such action, together with a statement of the grounds on which it was determined that such action was in the interests of the Government. It is not consistent with War Department policy for the Government to commit breaches of contract and such action will be taken only in unusual cases and where all other reasonable efforts to prevent the incurring of unnecessary expense for the Government have been exhausted. In any such case, even after

the issuance of the order to stop performance, if the contractor is willing to agree to terminate the contract and to make a reasonable settlement thereof, such a settlement agreement (subject to the provisions of § 81.308g) may be made in the manner permitted by paragraph (a) (3) of this section.

Sections 88.15-480 to 88.15-496, inclusive, are rescinded and the following §§ 88.15-480 to 88.15-486 are prescribed:

§ 88.15-480 *Necessity for determining costs.* In connection with termination settlements, it will frequently be necessary to determine costs. In §§ 88.15-481 to 88.15-486, inclusive, is reproduced the "Statement of Principles for Determination of Costs upon Termination of Government Fixed Price Supply Contracts approved by the Joint Contract Termination Board, 31 December 1943" referred to in paragraph (h) of the new termination article (see §§ 81.324 and 88.15-901).

§ 88.15-481 *Statement of principles for determination of costs upon termination of Government fixed price supply contracts.*

§ 88.15-482 *General principles.* The costs contemplated by this statement of principles are those sanctioned by recognized commercial accounting practices and are intended to include the direct and indirect manufacturing, selling and distribution, administrative and other costs incurred which are reasonably necessary for the performance of the contract, and are properly allocable or apportionable, under such practices, to the contract (or the part thereof under consideration). The general principles set out in this statement are subject to the application of any special provisions of the contract. Certain costs are specifically described below because of their particular significance, and, as in the case of other costs, should be included to the extent that they are allocable to or should be apportioned to the contract or the part thereof under consideration.

(a) *Common inventory.* The costs of items of inventory which are common to the contract and to other work of the contractor.

(b) *Common claims of subcontractors.* The claims of subcontractors which are common to the contract and to other work of the contractor.

(c) *Depreciation.* An allowance for depreciation at appropriate rates on buildings, machinery and equipment and other facilities including such amounts for obsolescence due to progress in the arts and other factors as are ordinarily given consideration in determining depreciation rates. Depreciation as defined herein shall not include loss of useful value of the type covered by paragraph (f) of this section.

(d) *Experimental and research expense.* General experimental and research expense to the extent consistent with an established pre-war program, or to the extent related to war purposes.

(e) *Engineering and development and special tooling.* Costs of engineering and development and of special tooling; provided that the contractor protects any

interests of the Government by transfer of title or by other means deemed appropriate by the Government.

(f) *Loss on facilities; conditions on allowance.* In the case of any special facility acquired by the contractor solely for the performance of the contract, or the contract and other war production contracts, if upon termination of the contract such facility is not reasonably capable of use in the other business of the contractor having regard to the then condition and location of such facility, an amount which bears the same proportion to the loss of useful value as the deliveries not made under the contract bear to the total of the deliveries which have been made and would have been made had the contract and the other contracts been completed, *Provided*, That the amount to be allowed under this paragraph shall not exceed the adjusted basis of the facility for Federal income tax purposes immediately prior to the date of the termination of the contract, and *Provided further*, That no amount shall be allowed under this paragraph unless upon termination of the contract title to the facility is transferred to the Government, except where the Government elects to take other appropriate means to protect its interests.

(g) *Special leases.* (1) Rentals under leases clearly shown to have been made for the performance of the contract, or the contract and other war production contracts, covering the period necessary for complete performance of the contract and such further period as may have been reasonably necessary; (2) costs of reasonable alteration of such leased property made for the same purpose; and (3) costs of restoring the premises, to the extent required by reasonable provisions of the lease; less (4) the residual value of the lease; provided that the contractor shall have made reasonable efforts to terminate, assign, or settle such leases or otherwise reduce the cost thereof.

(h) *Advertising.* Advertising expense to the extent consistent with a pre-war program or to the extent reasonable under the circumstances.

(i) *Limitation on costs described in paragraphs (d), (e), (f), (g), and (h).* In no event shall the aggregate of the amounts allowed under paragraphs (d), (e), (f), (g), and (h) exceed the amount which would have been available from the contract price to cover these items, if the contract had been completed, after considering all other costs which would have been required to complete it.

(j) *Interest.* Interest on borrowings.

(k) *Settlement expenses.* Reasonable accounting, legal, clerical and other expenses necessary in connection with the termination and settlement of the contract and subcontracts and purchase orders thereunder, including expenses incurred for the purpose of obtaining payment from the Government only to the extent reasonably necessary for the preparation and presentation of settlement proposals and cost evidence in connection therewith.

(l) *Protection and disposition of property.* Storage, transportation and other costs incurred for the protection of prop-

erty acquired or produced for the contract or in connection with the disposition of such property.

§ 88.15-483 *Initial costs.* Costs of a non-recurring nature which arise from unfamiliarity with the product in the initial stages of production should be appropriately apportioned between the completed and the terminated portions of the contract. In this category would be included high direct labor and overhead costs, including training, costs of excessive rejections and similar items.

§ 88.15-484 *Excluded costs.* Without affecting the generality of the foregoing provisions in other respects, amounts representing the following should not be included as elements of cost:

(a) Losses on other contracts, or from sales or exchanges of capital assets; fees and other expenses in connection with reorganization or recapitalization, anti-trust or federal income-tax litigation, or prosecution of federal income tax claims or other claims against the Government (except as provided in § 88.15-432 (k)); losses on investments; provisions for contingencies; and premiums on life insurance where the contractor is the beneficiary.

(b) The expense of conversion of the contractor's facilities to uses other than the performance of the contract.

(c) Expenses due to the negligence or wilful failure of the contractor to discontinue with reasonable promptness the incurring of expenses after the effective date of the termination notice.

(d) Costs incurred in respect to facilities, materials or services purchased or work done in excess of the reasonable quantitative requirements of the entire contract.

(e) Costs which, as evidenced by accounting statements submitted in renegotiation under section 403 of the Sixth Supplemental National Defense Appropriation Act, 1942, as amended, were charged off during a period covered by a previous renegotiation, may not be subsequently included in the termination settlement if a refund was made for such period, or to the extent that such charging off is shown to have avoided such refund.

§ 88.15-485 *Accounting practices.* To the extent that they conform to recognized commercial accounting practices and the foregoing statement of principles, the established accounting practices of the contractor as indicated by his books of account and financial reports will be given due consideration in the preparation of statements of cost for the purposes of this article.

§ 88.15-486 *Item not mentioned.* The failure specifically to mention in this statement any item of cost is not intended to imply that it should be included or excluded.

§ 88.15-487 *Advertising.* [Rescinded].

§ 88.15-488 *Experimental and research expense.* [Rescinded].

§ 88.15-489 *Excise taxes.* [Rescinded].

§ 88.15-490 *Common items.* [Rescinded].

§ 88.15-491 *Settlement expenses.* [Rescinded].

§ 88.15-492 *Mitigation of losses.* [Rescinded].

§ 88.15-493 *Interest.* [Rescinded].

§ 88.15-495 *Excluded costs.* [Rescinded].

§ 88.15-496 *Allocation of starting load costs.* [Rescinded].

Sections 88.15-551 and 88.15-658 are rescinded:

§ 88.15-551 *Exemption from statutory renegotiation on terminated lump sum contracts.* [Rescinded].

§ 88.15-658 *Exemption from renegotiation on terminated cost-plus-a-fixed-fee contracts.* [Rescinded].

Section 88.15-658a is added as follows:

§ 88.15-658a *Assignment to Government of premiums due under policies written under War Department insurance rating plan upon termination or completion of cost-plus-a-fixed-fee contracts.* (See § 81.484.)

Sections 88.15-800 to 88.15-806, inclusive, are amended as follows:

§ 88.15-800 *Monthly contract termination status report.* Each procurement office (except those reporting to the Commanding General of a Service Command) will prepare a Monthly Contract Termination Status Report.

§ 88.15-801 *Report form.* The report will be prepared on W.D., A.G.O. Form No. 505 (Monthly Contract Termination Status Report). This report is carried in stock at the Adjutant General Pentagon Depot, Washington 25, D. C. and will be ordered by reference to W.D., A.G.O. Form No. 505. The Control Approval Symbol is PDE-10.

§ 88.15-802 *Matters to be covered.* The report will cover all terminations of contracts for the convenience of the Government, regardless of the type or amount of the contract. It will cover all such terminations completed during the month and those still in process. If no such terminations have been completed and none are in process, a negative report will be made. When a final settlement has been made with a contractor and reflected in a monthly report, it will not be reflected in subsequent reports. Cost-plus-a-fixed-fee contract terminations will be reported separately. "Cost-plus-a-fixed-fee" will be typed immediately below the report title of such reports. Any portion of a supply contract pertaining to facilities to be acquired for Government account will be excluded from each column of the report. (If no definite segregation is made in the contract, this instruction may be waived as to Column 7).

§ 88.15-803 *Date for submitting reports.* The report will be submitted monthly and will be filed with the office of the chief of the service (the Assistant Chief of Staff MM&D for Army Air Forces) on or before the 10th day of the month following that for which the report is made, or on any earlier date specified by the chief of the service.

§ 88.15-804 *Number of copies.* The number of copies of the report to be filed will be prescribed by the chief of the service.

§ 88.15-805 *Report to Contract Termination Branch, Readjustment Division, Headquarters, Army Service Forces.* On or before the 15th day of the month following that for which the report is made, the chief of each technical service (the Assistant Chief of Staff MM&D for Army Air Forces) will file with the Chief, Contract Termination Branch, Readjustment Division, Headquarters, Army Service Forces, the original and one copy of each monthly contract termination status report filed with him.

§ 88.15-806 *Instructions with respect to the report form—(a) Successive partial terminations.* In the event that successive partial terminations are effected in regard to one prime contract, each such termination will be treated as a separate transaction (see paragraph (d) (1) of this section). When a settlement is made completing more than one such transaction, the date and amount of settlement will be shown opposite the termination with the oldest effective date. A cross reference to this fact will be shown in place of the date and amount of settlement opposite other terminations completed by the same action.

(b) *Dollar amounts and dollar symbols.* The sums shown in the amount columns will be to the nearest dollar. Fractions of a dollar will not be shown. Likewise no dollar symbols will be used in the amount columns.

(c) *Order of listing terminations.* (1) Terminations completed during the month will be listed first in chronological order (based on the effective date of termination). Above these, centered, there will appear the heading "Terminations Completed". Columns 8, 10, 12, 14, 15, 17, 18, 19, 20 and 21 are to be added individually and the totals entered in the respective columns.

(2) Terminations rescinded or transferred will then be listed in chronological order (based on the effective date of termination). Above these, centered, there will appear the heading "Terminations Rescinded or Transferred". Columns 8, 10, 12, 14 and 15 are to be added individually and the totals entered in their respective columns. This grouping is to represent cases previously reported as "Terminations in Process" which will not require completion of settlement action because of the reinstatement of the contract, or because of the transfer of administration to another procurement office. A termination transferred will not be so reported until the office to which the transfer was made has acknowledged receipt, and has stated that the termination will be picked up on its next report. Offices to which transfers are made will acknowledge receipt, advise the transferring office, and pick up the transferred case as authorized during the month (see paragraph (f) of this section).

(3) Terminations in process will then be listed in chronological order (based on the effective date of termination). Above these, centered, there will appear the

heading "Terminations in Process". Columns 8, 10, 12, 14, and 15 are to be added individually and the totals entered in their respective columns.

(d) *Columnar information.* There are set forth in the succeeding subparagraphs instructions with respect to the information to be contained in the various columns of the report form. Subparagraph (1) contains instructions with respect to Column 1. Subparagraph (2) contains instructions with respect to Column 2 and so forth.

(1) *Column 1.* Insert contract or other identification number. In the event that a contract under termination has more than one partial termination, the contract number will be entered for each of the additional partial terminations.

(2) *Column 2.* Name of contractor. Because of limited space, the full name of the contractor need not be given. Sufficient information will be given to permit identification.

(3) *Column 3.* Item. Because of limited space, the full description of the items need not be given. Sufficient information will be given to permit identification of the item being manufactured under the contract.

(4) *Column 4.* Partial or complete. Indicate by the symbol "P" or "C" whether the termination is partial or complete. A partial termination is one in which only a part of the uncompleted portion of the contract is terminated and the balance is to be continued after the effective date of termination. A complete termination is one in which the entire uncompleted balance of a contract is terminated. From a practical standpoint, it may be said that a complete termination is one in which the contract price of items cancelled is equal to the entire remaining balance of the contract.

(5) *Column 5.* Date termination authorized. The date of termination authorization will be the date on which the authorization of termination was written in the office of the chief of the service. There may exist, however, certain cases wherein termination proceedings are initiated prior to approval from the office of the chief of the service. In such cases, the date on which the termination action was initiated by the contracting officer will be used as the date of termination authorization.

(6) *Column 6.* Effective date of termination. This is the date designated in the notice of termination as the effective date of termination. With particular reference to partial termination, this is the date the contractor is required to take action to stop work and cancel subcontracts with respect to the terminated portion of the contract. This is not to be construed as meaning the estimated date of completion of the continued portion of the contract unless no action is to be taken by the contractor until the continued portion of the contract is completed. In the event of successive partial terminations affecting the same contract, effective dates for each will be shown. In all instances where the effective date of termination is changed from that shown on the previous month's report, the re-

vised date will be prefixed by "R". The reason for such changes will be explained in the space provided for status of settlement action.

(7) *Column 7.* Amount of contract. Enter the total amount of the contract and all supplements as of the date of termination authorization.

(8) *Column 8.* Total contract price of items cancelled. This column is to reflect the dollar value of the terminated portion of the contract. In some instances it may not be possible to determine accurately the exact contract price of items cancelled. In such cases the best possible estimate will be used until correct figures can be ascertained. In all instances where the total contract price of items cancelled is changed from that shown on the previous month's report, the revised amount will be prefixed by "R".

(9) *Column 9.* Contractor's proposal. Date of filing. Enter the date on which the contractor's proposal was received. In the event of partial proposals or revisions of proposals previously submitted due to post termination expenses, etc., carry the original date until the case has been completed. Dates of revised claims will be shown below the original date prefixed by "R".

(10) *Column 10.* Contractor's proposal. Amount exclusive of subcontractors. This column is to reflect the dollar amount representing the contractor's proposal for settlement of the terminated contract. The amount will be exclusive of (i) charges submitted by subcontractors to the prime contractor and (ii) the contract price of all completed units which have been or will be accepted under the contract. Thus this amount will represent the prime contractor's statement of charges with respect to the uncompleted portion of the contract (prior to negotiation), and therefore the difference between this amount and the amount entered in Column 17 will represent the net change resulting from negotiations. In the event of contractor's revision of preliminary or partial proposals, exclusive of reductions arising from negotiation, the amount of the most recent revision will be shown opposite the most recent revision date (see Column 9). Previous claim figures will be omitted, but the dates for such previous claims will continue to be shown. Explanation of the revision will be made in space provided for explanations of status.

(11) *Column 11.* Subcontractors' claims. Number of claims submitted. Enter number of first tier subcontractor's claims submitted by the prime contractor to the office administering the termination. This includes claims of suppliers and vendors of standard articles.

(12) *Column 12.* Subcontractors' claims. Total amount. Enter the total dollar value of all first tier subcontractors' claims submitted by the prime contractor to the office administering the termination. This column is intended to represent the amounts approved by the prime contractor, and is not necessarily the same as the amount approved by the contracting officer in final settlement as shown in Column 18.

(13) *Column 13.* Subcontractors' claims. Number of claim approved. Enter the number of first tier subcontractors' claims which have been approved by the contracting officer as of the date of preparation of the report.

(14) *Column 14.* Partial payments. For the benefit of prime contractor. Enter the total amount of partial payments made to the prime contractor covering amounts intended solely for the use and benefit of the prime contractor. Advance payments or payments made as reimbursement for costs under a CPFF contract will not be included. Advance payments are to be noted in the space provided for explanations of status of incomplete cases.

(15) *Column 15.* Partial payments. For benefit of subcontractors. Enter the total amount of partial payments made for the use and benefit of subcontractors whether such amounts are paid to the prime contractor for the account of the subcontractors or are paid direct to subcontractors.

(16) *Column 16.* Details of final settlement. Date. Enter the date on which the supplemental agreement incorporating the final settlement is received by the contracting officer, signed by both the contractor and the contracting officer. For those services requiring approval by the office of the chief, the transaction must be considered as pending until this approval is received.

(17) *Column 17.* Details of final settlement. Gross amount excluding subcontractors. This represents the gross amount of the settlement agreement including expenses subsequent to termination but excluding that portion of the contractor's settlement represented by payments to subcontractors. Differences between Columns 10 and 17 represent negotiated reductions between the contractor's claim and the final settlement.

(18) *Column 18.* Details of final settlement. Amount subcontractors. Enter the amount of payments made to subcontractors by the prime contractor and thus included in his final settlement. Differences between Columns 12 and 18 represent any negotiated reductions made by the contracting officer in subcontractor's settlements previously approved by the prime contractor and submitted to the contracting officer for approval.

(19) *Column 19.* Details of final settlement. Disposal credits. The amount credited to the Government by the prime contractor for receipts from sales or retention of property included in his gross settlement proposal. Sales to the Government under purchase orders will be included in this column and will not be confused with the amount allowed for property taken over by the Government as reported in Column 21.

(20) *Column 20.* Details of final settlement. Net amount of settlement. The net payment to the contractor in settlement of the proposal. This is Column 17 plus 18 minus 19.

(21) *Column 21.* Details of final settlement. Amount allowed for property taken over by the Government. The amount which is allowed to the contrac-

tor for property taken over by the Government will be shown in this column. This is the amount included in the net settlement, shown in Column 20, required to reimburse the contractor for the cost of his inventory taken over by the Government. When an exact allowance can not be assigned to this property, as in some settlements on a total cost basis, the best possible estimate will be given.

(e) *Special instructions with respect to Columns 16, 17, 18, 19, 20, and 21.* These columns will be filled in only for terminations which have been completely settled during the month. In the case of "Terminations in Process," the space occupied by these columns will be used to explain briefly the status of settlement action. Such explanations will include such information as "Awaiting Contractor's Claim," "Property Disposal," "Contractor's Settlement Proposal Being Audited," "In Process of Negotiation" ("In Process of Negotiation" is considered to apply only to such cases in which audit and property disposition is completed), "Awaiting Final Agreement" and so on. In terminations involving subcontractors, it is desirable to show the total number of first tier subcontractors from whom claims are expected, so as to provide a comparison between probable subcontractors' claims and subcontractors' claims submitted as shown in Column 11.

(f) *Reconciliation; number of terminations.* A reconciliation of the number of terminations received, completed and on hand is to be shown on the last sheet of each report in the following form:

Terminations pending per last report.
Terminations authorized during month.
Total terminations to be accounted for.
Terminations settled during month.
Terminations rescinded or transferred during month.
Terminations pending end of month.
Terminations pending 0-6 months.
Terminations over 6 months.

Cases reported as rescinded or transferred must be completely explained so that the proper correction may be made in the consolidated War Department reports. Any further aging of cases pending less than 6 months will be as determined by the chief of the service.

(g) *Optional reporting of terminations involving less than \$10,000 in contract price of items cancelled.* If so directed by the chief of the service concerned, terminations involving less than \$10,000 in contract price of items cancelled may be reported in total only. The method of such reporting will be as follows:

(1) *Terminations completed.* Enter totals of Columns 7, 8, 10, 11, 12, 13, 14, 15, 17, 18, 19, 20 and 21 for such terminations involving settlement of contractors' claims completed during the month, as the first line of "Terminations Completed" (see paragraph (c) (1) of this section). Enter the number of such cases completed in Column 1 and "Cases Under \$10,000" in Column 2. Enter totals of Columns 7 and 8 for such terminations involving no contractors' claims completed during the month as the sec-

ond line of "Terminations Completed". Enter the number of such cases completed in Column 1 and "Cases Under \$10,000" in Column 2.

(2) *Terminations rescinded or transferred.* Enter totals of Columns 7, 8, 10, 12, 14 and 15 of any such cases rescinded or transferred, as reported on the preceding month's report for "Terminations in Process", as the first line of "Terminations Rescinded or Transferred". Enter the number of such cases in Column 1 and "Cases Under \$10,000" in Column 2.

(3) *Terminations in process.* Enter totals of Columns 7, 8, 10, 12, 14 and 15 for such terminations still in process as the first line of "Terminations in Process". Enter the number of such cases in Column 1 and "Cases Under \$10,000" in Column 2.

(4) All such cases must be accounted for in the reconciliation provided in paragraph (f) of this section.

Section 88.15-901 is amended as follows:

§ 88.15-901 *Lump sum supply contract.* The following is the new termination article:

ARTICLE -- *Termination at the Option of the Government.*

(a) The performance of work under this contract may be terminated by the Government in accordance with this Article in whole, or from time to time in part, whenever the contracting officer shall determine any such termination is for the best interests of the Government. Termination of work hereunder shall be effected by delivery to the contractor of a Notice of Termination specifying the extent to which performance of work under the contract shall be terminated, and the date upon which such termination shall become effective. If termination of work under this contract is simultaneous with, a part of, or in connection with, a general termination (1) of all or substantially all of a group or class of contracts made by the War Department for the same product or for closely related products, or (2) of war contracts at, about the time of, or following, the cessation of the present hostilities, or any major part thereof, such termination shall only be made in accordance with the provisions of this Article, unless the contracting officer finds that the contractor is then in gross or wilful default under this contract.

(b) After receipt of a Notice of Termination and except as otherwise directed by the contracting officer, the contractor shall (1) terminate work under the contract on the date and to the extent specified in the Notice of Termination; (2) place no further orders or subcontracts for materials, services or facilities except as may be necessary for completion of such portions of the work under the contract as may not be terminated; (3) terminate all orders and subcontracts to the extent that they relate to the performance of any work terminated by the Notice of Termination; (4) assign to the Government, in the manner and to the extent directed by the contracting officer, all of the right, title and interest of the contractor under the orders or subcontracts so terminated; (5) settle all claims arising out of such termination of orders and subcontracts with the approval or ratifications of the contracting officer to the extent that he may require, which approval or ratification shall be final for all the purposes of this Article; (6) transfer title and deliver to the Government in the manner, to the extent and at the times directed by the contracting officer (1) the

fabricated or unfabricated parts, work in process, completed work, supplies and other material produced as a part of, or acquired in respect of the performance of, the work terminated in the Notice of Termination, and (14) the plans, drawings, information and other property which, if the contract had been completed, would be required to be furnished to the Government; (7) use his best efforts to sell in the manner, to the extent, at the time, and at the price or prices directed or authorized by the contracting officer, any property of the types referred to in subdivision (6) of this paragraph: *Provided, however,* That the contractor (1) shall not be required to extend credit to any purchaser and (11) may retain any such property at a price or prices approved by the contracting officer; (8) complete performance of such part of the work as shall not have been terminated by the Notice of Termination; and (9) take such action as may be necessary or as the contracting officer may direct for protection and preservation of the property, which is in the possession of the contractor and in which the Government has or may acquire an interest.

(c) The contractor and the contracting officer may agree upon the whole or any part of the amount or amounts to be paid to the contractor by reason of the total or partial termination of work pursuant to this Article, which amount or amounts may include a reasonable allowance for profit, and the Government shall pay the agreed amount or amounts. Nothing in paragraph (d) of this Article prescribing the amount to be paid to the contractor in the event of failure of the contractor and the contracting officer to agree upon the whole amount to be paid to the contractor by reason of the termination of work pursuant to this Article shall be deemed to limit, restrict or otherwise determine or affect the amount or amounts which may be agreed upon to be paid to the contractor pursuant to this paragraph (c).

(d) In the event of the failure of the contractor and contracting officer to agree as provided in paragraph (c) upon the whole amount to be paid to the contractor by reason of the termination of work pursuant to this Article, the Government, but without duplication of any amounts agreed upon in accordance with paragraph (c), shall pay to the contractor the following amounts:

(1) For completed articles delivered to and accepted by the Government (or sold or retained as provided in paragraph (b) (7) above) and not theretofore paid for, forthwith a sum equivalent to the aggregate price for such articles computed in accordance with the price or prices specified in the contract;

(2) In respect of the contract work terminated as permitted by this Article, the total (without duplication of any items) of (1) the cost of such work exclusive of any cost attributable to articles paid or to be paid for under paragraph (d) (1) hereof; (11) the cost of settling and paying claims arising out of the termination of work under subcontracts or orders as provided in paragraph (b) (5) above, exclusive of the amounts paid or payable on account of supplies or materials delivered or services furnished by the subcontractor prior to the effective date of the notice of termination of work under this contract which amounts shall be included in the cost on account of which payment is made under subdivision (1) above; and (111) a sum equal to _____% (Note 1)² of the part of the amount determined under subdivision (1) which represents the cost of articles or materials not processed by the contractor, plus a sum equal to _____% (Note 2)² of the remainder of such amount, but the aggregate of such sums shall not exceed 6% of the

² See footnote 1, *supra*.

whole of the amount determined under subdivision (1), which for the purpose of this subdivision (111) shall exclude any charges for interest on borrowings;

(3) The reasonable cost of the preservation and protection of the property incurred pursuant to paragraph (b) (9) hereof; and any other reasonable cost incidental to termination of work under this contract, including expense incidental to the determination of the amount due to the contractor as the result of the termination of work under this contract.

The total sum to be paid to the contractor under subdivisions (1) and (2) of this paragraph (d) shall not exceed the total contract price reduced by the amount of payments theretofore made and by the contract price of work not terminated. Except for normal spoilage and to the extent that the Government shall have otherwise expressly assumed the risk of loss, there shall be excluded from the amounts payable to the contractor as provided in paragraph (d) (1) and paragraph (d) (2) (1), all amounts allocable to or payable in respect of property, which is destroyed, lost, stolen or damaged so as to become undeliverable prior to the transfer of title to the Government or to a buyer pursuant to paragraph (b) (7) or prior to the 60th day after delivery to the Government of an inventory covering such property, whichever shall first occur.

(e) The obligation of the Government to make any payments under this article: (1) shall be subject to deductions in respect of (1) all unliquidated partial or progress payments, payments on account theretofore made to the contractor and unliquidated advance payments, (11) any claim which the Government may have against the contractor in connection with this contract, and (111) the price agreed upon or the proceeds of sale of any materials, supplies or other things retained by the contractor or sold, and not otherwise recovered by or credited to the Government, and (2) in the discretion of the contracting officer shall be subject to deduction in respect of the amount of any claim of any subcontractor or supplier whose subcontractor or order shall have been terminated as provided in paragraph (b) (3) except to the extent that such claim covers (1) property or materials delivered to the contractor or (11) services furnished to the contractor in connection with the production of completed articles under this contract.

(f) In the event that, prior to the determination of the final amount to be paid to the contractor as in this article provided, the contractor shall file with the contracting officer a request in writing that an equitable adjustment should be made in the price or prices specified in the contract for the work not terminated by the Notice of Termination, the appropriate fair and reasonable adjustment shall be made in such price or prices.

(g) The Government shall make partial payments and payments on account, from time to time, of the amount to which the contractor shall be entitled under this article, whether determined by agreement or otherwise, whenever in the opinion of the contracting officer the aggregate of such payments shall be within the amount to which the contractor will be entitled hereunder.

(h) For the purposes of paragraphs (d) (2) and (d) (3) hereof, the amounts of the payments to be made by the Government to the contractor shall be determined in accordance with the Statement of Principles for Determination of Costs upon Termination of Government Fixed Price Supply Contracts approved by the Joint Contract Termination Board, December 31, 1943. The contractor for a period of three years after final settlement under the contract shall make available to the Government at all reasonable times at the office of the contractor all

of its books, records, documents, and other evidence bearing on the costs and expenses of the contractor under the contract and in respect of the termination of work thereunder.

[SEAL]

J. A. ULIO,
Major General,
The Adjutant General.

[F. R. Doc. 44-1498; Filed, January 29, 1944;
2:03 p. m.]

TITLE 16—COMMERCIAL PRACTICES

Chapter I—Federal Trade Commission

[File No. 21-380]

PART 158—MUSICAL INSTRUMENT AND ACCESSORIES INDUSTRY

PROMULGATION OF TRADE PRACTICE RULES

At a regular session of the Federal Trade Commission held at its office in the City of Washington, D. C., on the 1st day of February, A. D. 1944.

Due proceedings having been held under the trade practice conference procedure in pursuance of the Act of Congress approved September 26, 1914, as amended (Federal Trade Commission Act), and other provisions of law administered by the Commission;

It is now ordered, That the trade practice rules of Group I and Group II, as hereinafter set forth, which have been approved and received, respectively, by the Commission in this proceeding, be promulgated as of February 2, 1944.

Statement by the Commission

Trade practice rules for the Musical Instrument and Accessories Industry, as hereinafter set forth, are promulgated by the Federal Trade Commission under its trade practice conference procedure.

The rules are directed to the prevention of various unfair competitive methods or practices and to the protection of members of the industry and the public from their harmful effects.

The industry's products consist of musical instruments of all kinds played by the individual or musician, and accessories therefor. Embraced therein are band or orchestra instruments, stringed, wind, or percussion instruments, pianos, organs, and other musical instruments, played by the individual or musician, either publicly or privately, in groups or otherwise. Members of the industry are persons or concerns who manufacture, distribute, or sell such products. The aggregate annual volume of business is estimated to approximate, in normal times, \$80,000,000 retail value.

With the cooperation of industry members a trade practice conference under the auspices of the Commission was held at Cincinnati, Ohio, and drafts of proposed rules were duly considered. In the further proceedings the rules under consideration were published by the Commission in appropriate form and made available to all industry members and interested or affected parties upon public notice whereby they were afforded opportunity to present their views, including such pertinent information, suggestions, amendments or objections as they

desired to offer, and to be heard in the premises. Such public hearing was accordingly held in Washington, D. C., and all matters presented, or otherwise received, in the proceeding were duly considered by the Commission.

Thereafter, and upon full consideration of the entire matter, final action was taken by the Commission whereby it approved and received, respectively, the following trade practice rules in Group I and Group II:

The Rules

These rules promulgated by the Commission are designed to foster and promote the maintenance of fair competitive practices in harmony with law and the public interest. They are not to be used, directly or indirectly, as part of, or in connection with, any unlawful combination or agreement to fix prices, or to suppress competition, or otherwise to restrain trade.

Group I

The unfair trade practices embraced in the Group I rules herein are considered to be unfair methods of competition, unfair or deceptive acts or practices, or other illegal practices, prohibited under laws administered by the Federal Trade Commission; and appropriate proceedings in the public interest will be taken by the Commission to prevent the use, by any person, partnership, corporation, or other organization subject to its jurisdiction, of such unlawful practices in commerce.

- | | |
|--------|---|
| Sec. | |
| 158.1 | Misrepresentation and misbranding. |
| 158.2 | Deceptive testimonials. |
| 158.3 | Misrepresentation as to the designing, use, or endorsement of musical instruments. |
| 158.4 | Misrepresentation as to price reductions. |
| 158.5 | Use of "bait" advertising. |
| 158.6 | Deception as to rebuilt, used, converted, reconstructed, restyled, repossessed, or second hand products. |
| 158.7 | Misrepresentation as to being manufacturer, importer, wholesaler, jobber, distributor, or retailer, and prices in relation thereto. |
| 158.8 | Deception as to origin. |
| 158.9 | Misrepresentation as to installment sales contracts, their terms or conditions, etc. |
| 158.10 | Deception in respect of keyboard or number of keys. |
| 158.11 | Defamation of competitors or disparagement of their products. |
| 158.12 | Inducing breach of contract. |
| 158.13 | "Push money," "gratuities," etc. |
| 158.14 | Misuse of word "free," etc. |
| 158.15 | Selling below cost. |
| 158.16 | Discrimination. |
| 158.17 | Aiding or abetting use of unfair trade practices. |

AUTHORITY: §§ 158.1 to 158.17, inclusive, issued under 38 Stat. 717, as amended, and pursuant to other provisions of law administered by the Commission.

§ 158.1 *Misrepresentation and misbranding.* In the course of or in connection with selling, distributing, or promoting the sale or distribution of any industry products, it is an unfair trade practice to use or cause to be used any trade promotional literature, advertising matter, guarantee, warranty, mark, brand, label, designation or representation, however disseminated or published,

which directly, or by implication or otherwise, has the capacity and tendency or effect of misleading or deceiving purchasers or prospective purchasers in respect to the grade, quality, quantity, substance, character, make, type, price, nature, size, tone, origin, use, endorsement, appearance, performance, construction, specifications, finish, material content, or preparation of such product, or in any other material respect. [Rule 1]

§ 158.2 *Deceptive testimonials.* In the course of or in connection with selling, distributing, or promoting the sale or distribution of any industry product, it is an unfair trade practice to use or cause to be used any testimonials, written or oral, which are false, misleading, or deceptive as to the merits or qualities of such industry product, or which are false, misleading, or deceptive in any other material respect.

NOTE: Under this section, the following types of testimonials are among those which should not be used, namely:

(a) Testimonials previously given in respect of a product of a manufacturer or distributor but which are receptive by reason of being so old as no longer to be applicable to the products or instruments currently produced by such manufacturer or sold by such distributor.

(b) Testimonials which deceptively purport to be in support of the merits of the instruments or products endorsed but which were in fact given because of advertising benefits and other considerations and not because of the merits of such instruments or products or the testifier's good-faith belief in the merits thereof.

(c) Testimonials which deceptively purport or imply that the testifier regularly or principally uses the instrument or make of instrument endorsed, when in fact the testifier does not use the instrument, or uses it only to a minor or insubstantial extent and not regularly or principally.

(d) Testimonials which deceptively represent, purport, or imply, directly or indirectly, that the endorsement therein is or has been given by the testifier as his unbiased, unsubsidized, or bona fide endorsement of the instrument, when in fact such testimonial was procured by or given solely because of a financial or other consideration or subsidy received by or for the benefit of such testifier.

(e) Testimonials which in any respect are untrue, or which contain inferences or implications not fully justified by the facts, or which are in any other way deceptive or misleading by reason of undisclosed facts or circumstances or for any other reason.

[Rule 2]

§ 158.3 *Misrepresentation as to the designing, use, or endorsement of musical instruments.* In the course of or in connection with selling, distributing, or promoting the sale or distribution of any industry product, it is an unfair trade practice to represent, directly or indirectly, through advertising or otherwise, that a musician, composer, orchestra leader, or other person or organization, designed, uses or endorses a particular musical instrument or instruments or other products of the industry, when such is not the fact. [Rule 3]

§ 158.4 *Misrepresentation as to price reductions.* It is an unfair trade practice for any member of the industry to represent, in advertising or otherwise,

that the price of any industry product has been reduced from what is in fact a fictitious price, or that such price is a reduced or a special price when it is in fact the regular selling price of such product, or that the regular price thereof is higher when such is not the fact, or otherwise to falsely or deceptively represent the past or current price of any industry product. [Rule 4]

§ 158.5 *Use of "bait" advertising.* (a) In the course of or in connection with selling, distributing, or promoting the sale or distribution of any industry product, it is an unfair trade practice to publish or use advertising, or other representations written or oral, which have the capacity and tendency or effect of misleading or deceiving purchasers or prospective purchasers into the belief that a larger supply of such products is available to purchasers at the advertised or stated price or prices than is in fact so available, or that industry products so offered for sale or sold under such representations or conditions are of high grade or quality when such is not true in fact.

(b) It is also an unfair trade practice to advertise, represent or describe the prices at which any musical instruments or accessories are offered for sale as being the "balance due" or unpaid portion on a previous sale under a conditional or time-payment contract, when such is not true in fact, or when such advertisement, representation or offer is otherwise false, misleading or deceptive. [Rule 5]

§ 158.6 *Deception as to rebuilt, used, converted, reconstructed, restyled, repossessed, or secondhand products.* (a) It is an unfair trade practice for any member of the industry to sell, offer for sale, advertise or otherwise represent any musical instrument or accessory (1) as being new when it is in fact rebuilt, used, repossessed, or secondhand; or (2) as being of new design or new style when it has been converted, reconstructed, or restyled from a used instrument or accessory and such fact is deceptively concealed.

(b) It is an unfair trade practice for any member of the industry to advertise or otherwise represent, directly or indirectly, that he owns or has in his possession for sale new, rebuilt, used, repossessed, or secondhand musical instruments or accessories of a particular type, make, or description, when such is not true in fact.

(c) In the sale or distribution of musical instruments or accessories which are rebuilt, used, repossessed, or secondhand, it is an unfair trade practice to fail or refuse to make full and nondeceptive disclosure of the fact that such instruments or accessories are not new, but are rebuilt, used, repossessed, or secondhand, as the case may be, such failure or refusal to disclose having the capacity and tendency or effect of misleading or deceiving purchasers or prospective purchasers. [Rule 6]

§ 158.7 *Misrepresentation as to being manufacturer, importer, wholesaler, jobber, distributor, or retailer, and prices in relation thereto.* (a) It is an unfair trade practice for any person, partnership, cor-

poration or organization, by trade or corporate name or otherwise, to represent or to hold himself or itself out as being the manufacturer, importer, wholesaler, jobber, distributor, or retailer of any industry product advertised, offered for sale, sold or distributed, when such is not the fact.

(b) It is an unfair trade practice to use any other deceptive or misleading device, method or representation respecting the character, nature or status of the business of any person, concern or organization engaged in selling or promoting the sale of any industry product.

(c) It is an unfair trade practice for any member of the industry, whether selling as manufacturer, importer, wholesaler, jobber, distributor, or retailer, to misrepresent his prices as being either wholesale or retail prices when such is not true in fact, or to otherwise misrepresent his prices. [Rule 7]

§ 158.8 *Deception as to origin.* In respect to musical instruments or accessories made wholly or partially in a foreign country, or from parts manufactured in a foreign country and assembled into the finished product in the United States, it is an unfair trade practice:

(a) To offer for sale, sell, or distribute any such musical instruments or accessories under marks, stamps, brands, labels, or representations which have the capacity and tendency or effect of misleading or deceiving purchasers or prospective purchasers into the erroneous belief that such products were produced wholly within the United States; or

(b) To offer for sale, sell, or distribute any such musical instruments or accessories without the same being conspicuously marked, stamped, branded, or labeled so as to indicate clearly and non-deceptively the country of origin of such products, the failure, refusal, or omission to so mark, stamp, brand, or label such products having the capacity and tendency or effect of thereby promoting, abetting, or effectuating the marketing of such products under conditions which are misleading or deceptive to purchasers or prospective purchasers.

(Nothing in this section shall be construed as relieving any member of the industry or other party of the necessity of complying with the requirements of the customs laws or regulations, or other applicable provisions of law or regulations, relating to the marking of imported articles.) [Rule 8]

§ 158.9 *Misrepresentation as to installment sales contracts, their terms or conditions, etc.* It is an unfair trade practice to make or publish* or cause to be made or published, directly or indirectly, any false, misleading, or deceptive statements or representations, through advertising or otherwise, concerning installment sales contracts used or their terms or conditions, including down payments, interest, carrying charges, etc., or respecting any other matter relative to such contracts or their terms or conditions. [Rule 9]

§ 158.10 *Deception in respect of keyboard or number of keys.* (a) It is an

unfair trade practice to cause any piano having less than the standard or 88-note keyboard to be represented or passed off, directly or indirectly, as and for a piano having such standard or 88-note keyboard.

(b) It is an unfair trade practice to cause any other musical instrument having less than the full or standard keyboard or number of keys to be represented or passed off, directly or indirectly, as and for a musical instrument having such full or standard keyboard or number of keys. [Rule 10]

§ 158.11 *Defamation of competitors or disparagement of their products.* The defamation of competitors by falsely imputing to them dishonorable conduct, inability to perform contracts, questionable credit standing, or by other false representations, or the false disparagement of the grade, quality, quantity, substance, character, make, type, price, nature, size, tone, origin, appearance, performance, construction, specifications, finish, material content, or preparation of the products of competitors, or of their business methods, selling prices, values, credit terms, policies or services, is an unfair trade practice. [Rule 11]

§ 158.12 *Inducing breach of contract.* Inducing or attempting to induce the breach of existing lawful contracts between competitors and their customers or their suppliers by any false or deceptive means whatsoever, or interfering with or obstructing the performance of any such contractual duties or services by any such means, with the purpose and effect of unduly hampering, injuring, or prejudicing competitors in their business, is an unfair trade practice. [Rule 12]

§ 158.13 *"Push money," "gratuities," etc.* It is an unfair trade practice for any member of the industry to bribe by giving or contracting to give or causing to be given, or by loaning or causing to be loaned, directly or indirectly, to any orchestra leader, band leader, official, singer, musician, music teacher, or any other person, employed by another, or to the agent or representative of, or to any one else on behalf of, such orchestra leader, band leader, official, singer, musician, music teacher, or other person, any "push money," gift, bonus, fee, gratuity, payment, discount, refund, rebate, royalty, service, musical instrument, favor or other thing or act of value, as an inducement to such individual to play or use or cause to be played or used, in a public performance, any musical instrument or accessory of such industry member in either of the following cases:

(a) Without the knowledge and consent of said employer; or

(b) With or without the knowledge and consent of said employer, where the effect may be substantially to lessen competition or tend to create a monopoly or unreasonably restrain trade in the marketing of such musical instruments or accessories, or where the effect is to be mislead or deceive purchasers or prospective purchasers. [Rule 13]

§ 158.14 *Misuse of word "free," etc.* The use of the word "free," or the equivalent thereof, when the article is in fact not free, with the capacity and tendency or effect of misleading or deceiving purchasers or prospective purchasers, is an unfair trade practice. [Rule 14]

§ 158.15 *Selling below cost.* The practice of selling industry products below the seller's cost with the intent and with the effect of injuring a competitor and where the effect may be substantially to lessen competition or tend to create a monopoly or unreasonably restrain trade is an unfair trade practice; all elements recognized by good accounting practice as proper elements of such cost shall be included in determining cost under this rule. The costs, however, which are referred to in the rule are actual costs of the respective seller and not some other figure or average costs in the industry determined by an industry cost survey or otherwise. [Rule 15]

§ 158.16 *Discrimination*—(a) *Prohibited discriminatory prices, or rebates, refunds, discounts, credits, etc., which effect unlawful price discrimination.* It is an unfair trade practice for any member of the industry engaged in commerce,¹ in the course of such commerce, to grant or allow, secretly or openly, directly or indirectly, any rebate, refund, discount, credit, or other form of price differential, where such rebate, refund, discount, credit, or other form of price differential effects a discrimination in price between different purchasers of goods of like grade and quality, where either or any of the purchases involved therein are in commerce, and where the effect thereof may be substantially to lessen competition or tend to create a monopoly in any line of commerce, or to injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination, or with customers of either of them: *Provided, however:*

(1) That the goods involved in any such transaction are sold for use, consumption, or resale within any place under the jurisdiction of the United States;

(2) That nothing herein contained shall prevent differentials which make only due allowance for differences in the cost of manufacture, sale, or delivery resulting from the differing methods or quantities in which such commodities are to such purchasers sold or delivered;

(3) That nothing herein contained shall prevent persons engaged in selling goods, wares, or merchandise in commerce from selecting their own customers in bona fide transactions and not in restraint of trade;

¹ As here used, the word "commerce" means "trade or commerce among the several States and with foreign nations, or between the District of Columbia or any territory of the United States and any State, Territory, or foreign nation, or between any insular possession or other places under the jurisdiction of the United States, or between any such possession or place and any State or Territory of the United States or the District of Columbia or any foreign nation, or within the District of Columbia or any Territory or any insular possession or other place under the jurisdiction of the United States," (exclusive, however, of the Philippine Islands).

(4) That nothing herein contained shall prevent price changes from time to time where made in response to changing conditions affecting either (i) the market for the goods concerned, or (ii) the marketability of the goods, such as, but not limited to, actual or imminent deterioration of perishable goods, obsolescence of seasonal goods, distress sales under court process, or sales in good faith in discontinuance of business in the goods concerned.

(b) *Prohibited brokerage and commissions.* It is an unfair trade practice for any member of the industry engaged in commerce, in the course of such commerce, to pay or grant, or to receive or accept, anything of value as a commission, brokerage, or other compensation, or any allowance or discount in lieu thereof, except for services rendered in connection with the sale or purchase of goods, wares, or merchandise, either to the other party to such transaction or to an agent, representative, or other intermediary therein where such intermediary is acting in fact for or in behalf, or is subject to the direct or indirect control, of any party to such transaction other than the person by whom such compensation is so granted or paid.

(c) *Prohibited advertising or promotional allowances, etc.* It is an unfair trade practice for any member of the industry engaged in commerce to pay or contract for the payment of advertising or promotional allowances or any other thing of value to or for the benefit of a customer of such member in the course of such commerce as compensation or in consideration for any services or facilities furnished by or through such customer in connection with the processing, handling, sale, or offering for sale of any products or commodities manufactured, sold, or offered for sale by such member, unless such payment or consideration is available on proportionally equal terms to all other customers competing in the distribution of such products or commodities.

(d) *Prohibited discriminatory services or facilities.* It is an unfair trade practice for any member of the industry engaged in commerce to discriminate in favor of one purchaser against another purchaser or purchasers of a commodity bought for resale, with or without processing, by contracting to furnish or furnishing, or by contributing to the furnishing of, any services or facilities connected with the processing, handling, sale, or offering for sale of such commodity so purchased upon terms not accorded to all purchasers on proportionally equal terms.

(e) *Inducing or receiving an illegal discrimination in price.* It is an unfair trade practice for any member of the industry engaged in commerce, in the course of such commerce, knowingly to induce or receive a discrimination in price which is prohibited by the foregoing provisions of this section.

(f) *Purchases by schools, colleges, universities, public libraries, churches, hospitals, and charitable institutions not operated for profit.* The foregoing provisions of this section relate to practices within the purview of the Robinson-Patman Antidiscrimination Act, which act and the application thereunder of

this section are subject to the limitations expressed in the amendment to such Robinson-Patman Antidiscrimination Act, which amendment was approved May 26, 1938, and reads as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That nothing in the Act Approved June 19, 1936 (Public, Numbered 692, Seventy-fourth Congress, second session), known as the Robinson-Patman Antidiscrimination Act, shall apply to purchases of their supplies for their own use by schools, colleges, universities, public libraries, churches, hospitals, and charitable institutions not operated for profit. (52 Stat. 446; United States Code, Title 15, sec. 13c)

[Rule 16]

§ 158.17 *Aiding or abetting use of unfair trade practices.* It is an unfair trade practice for any person, firm, or corporation to aid, abet, coerce, or induce another, directly or indirectly, to use or promote the use of any unfair trade practice specified in these rules. [Rule 17]

Group II

Compliance with trade practice provisions embraced in Group II rules is considered to be conducive to sound business methods and is to be encouraged and promoted individually or through voluntary cooperation exercised in accordance with existing law. Nonobservance of such rules does not, *per se*, constitute violation of law. Where, however, the practice of not complying with any such Group II rules is followed in such manner as to result in unfair methods of competition, or unfair or deceptive acts or practices, corrective proceedings may be instituted by the Commission as in the case of violation of Group I rules.

RULE A. Publication of price lists. The industry approves the practice of each individual member of the industry independently publishing and circulating to the purchasing trade his own price lists fully setting forth his terms of sale.

A Committee on Trade Practices is hereby created by the industry to cooperate with the Federal Trade Commission and to perform such acts as may be legal and proper to put these rules into effect.

Promulgated and issued by the Federal Trade Commission February 2, 1944.

[SEAL]

OTIS B. JOHNSON,
Secretary.

[F. R. Doc. 44-1609; Filed, February 1, 1944; 12:28 p. m.]

TITLE 32—NATIONAL DEFENSE

Chapter IX—War Production Board

Subchapter B—Executive Vice-Chairman

AUTHORITY: Regulations in this subchapter issued under sec. 2 (a), 54 Stat. 678, as amended by 55 Stat. 236 and 56 Stat. 178; E.O. 9024, 7 F.R. 329; E.O. 9125, 7 F.R. 2719; W.P.B. Reg. 1 as amended March 24, 1943, 8 F.R. 3666, 3698; Pri. Reg. 1 as amended May 15, 1943, 8 F.R. 6727.

PART 944—REGULATIONS APPLICABLE TO THE OPERATION OF THE PRIORITIES SYSTEM

[Priorities Reg. 3, Direction 6]

SPLIT RATINGS

The following direction is issued pursuant to Priorities Reg. 3:

(a) The War Production Board has fixed a base rating which it will assign for use in ordering production materials for each product group. The same base rating will be assigned to each authorized production schedule covering the same product group. Higher ratings may be assigned by the War Production Board to a part of a production schedule to the extent that the application shows that higher ratings are merited. Two or more ratings assigned to a single production schedule are referred to as split ratings.

(b) Split ratings must be applied on a class-of-item basis; that is, ratings must be split with respect to each class of production material. For example: if it is decided that \$100,000 worth of bolts and nuts and \$50,000 worth of wiring devices will be needed to be put into production during a quarter, and the preference ratings assigned to the schedule are 60% AA-2 and 40% AA-3, the AA-2 rating may be used to buy \$60,000 worth of bolts and nuts and \$30,000 worth of wiring devices and the AA-3 rating may be used to buy \$40,000 worth of bolts and nuts and \$20,000 worth of wiring devices.

Issued this 1st day of February 1944.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 44-1593; Filed, February 1, 1944;
11:31 a. m.]

**PART 3175—REGULATIONS APPLICABLE TO
THE CONTROLLED MATERIALS PLAN**

[CMP Reg. 3, Direction 6]

***SPLIT RATINGS**

The following direction is issued pursuant to CMP Regulation 3:

(a) The War Production Board has fixed a base rating which it will assign for use in ordering production materials for each Class B product group. The same base rating will be assigned to each authorized production schedule covering the same product group. Higher ratings may be assigned by the War Production Board to a part of a production schedule to the extent that the CMP-4B application shows that higher ratings are merited. Two or more ratings assigned to a single production schedule are referred to as split ratings.

(b) Split ratings must be applied on a class-of-item basis; that is, ratings must be split with respect to each class of production material. For example: if it is decided that \$100,000 worth of bolts and nuts and \$50,000 worth of wiring devices will be needed to be put into production during a quarter, and the preference ratings assigned to the schedule are 60% AA-2 and 40% AA-3, the AA-2 rating may be used to buy \$60,000 worth of bolts and nuts and \$30,000 worth of wiring devices and the AA-3 rating may be used to buy \$40,000 worth of bolts and nuts and \$20,000 worth of wiring devices.

Issued this 1st day of February 1944.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 44-1593; Filed, February 1, 1944;
11:31 a. m.]

PART 962—IRON AND STEEL

[Supplementary Order M-21-d,
Revocation]

**CORROSION AND HEAT-RESISTANT CHROME
STEEL**

Section 962.5 *Supplementary Order
M-21-d* is hereby revoked. This revoca-

tion does not affect any liabilities incurred under the order. The manufacture and delivery of corrosion and heat-resistant chrome steel remain subject to all other applicable regulations and orders of the War Production Board.

Issued this 2d day of February 1944.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 44-1634; Filed, February 2, 1944;
11:25 a. m.]

**PART 3175—REGULATIONS APPLICABLE TO
THE CONTROLLED MATERIALS PLAN**

[CMP Reg. 1, as Amended Feb. 2, 1944]

§ 3175.1 CMP Regulation 1. (a) This regulation explains how allotments for manufacturing operations are made under the Controlled Materials Plan, how production schedules are authorized and how controlled materials are obtained. Other CMP regulations cover inventory restrictions, preference ratings, warehouses and distributors, maintenance, repair and operating supplies, construction and other matters.

DEFINITIONS

(b) The following definitions shall apply for the purposes of this regulation and for the purposes of any other CMP regulation unless otherwise indicated:

(1) "Controlled material" means steel—both carbon (including wrought iron) and alloy—copper (including copper base alloys) and aluminum, in each case only in the forms and shapes indicated in Schedule I attached.

(2) "Controlled Materials Division" means the Steel Division, the Copper Division or the Aluminum Division of the War Production Board.

(3) "Industry Division" means the Division, Bureau, or other unit of the War Production Board which is charged with supervision over the operations of a particular industry. The term also includes any other government agency which, by arrangement with the War Production Board, may perform similar functions with respect to a particular industry.

(4) "Claimant Agency" means the following government offices and such others as may be designated from time to time. (Identifying symbols are indicated in parentheses.)

War Department (W)—except Ordnance which is identified by the symbol (O).

Navy Department (N).

Maritime Commission (M).

Aircraft Resources Control Office (agent for Army Air Forces and Bureau of Aeronautics of United States Navy (C)).

Foreign Economic Administration—Office of Lend-Lease Administration (L).

Foreign Economic Administration—Office of Economic Warfare (E).

Office of Civilian Requirements (V).

Department of Agriculture (A).

Office of Defense Transportation (T).

Office of Rubber Director (R).

Petroleum Administration for War (P).

National Housing Agency (H).

Office of War Utilities (U).

The symbol (F) will be used by several Claimant Agencies to identify certain construction programs; the symbols (B), (G), (J) and (K) will be used to identify certain B product programs; the symbol (D) will be used to identify certain programs covering items destined for the Dominion of Canada; the symbol (S) will be used to identify certain miscellaneous programs including certain B product programs and construction programs; the symbol (SO) will be used to identify small orders as defined in paragraph (1) and the symbol (RO) will be used by Regional Offices of the War Production Board. The symbols (B), (D), (F), (G), (J), (K), (S), (SO) and (RO) constitute Claimant Agency symbols for the purpose of all CMP regulations.

(5) "Allotment" means (i) a determination by the Requirements Committee of the War Production Board of the amount of controlled materials which a Claimant Agency may receive during a specified period, or (ii) a further determination pursuant thereto by a Claimant Agency, Industry Division, prime consumer or secondary consumer, as to the portion of its allotment of controlled materials which may be received by one of its prime consumers or secondary consumers, as the case may be.

(6) "Prime consumer" means any person who receives an allotment of controlled material from a Claimant Agency or an Industry Division.

(7) "Secondary consumer" means any person who receives an allotment of controlled material from a prime consumer or another secondary consumer.

(8) "Class A product" means any product which is not a Class B product (as defined in subparagraph (9) below), and which contains any steel, copper or aluminum, fabricated or assembled beyond the forms and shapes specified in Schedule I, other than such steel, copper or aluminum as may be contained in Class B products incorporated in it as parts or sub-assemblies.

(9) "Class B product" means any product designated as such in the "Official CMP Product List" printed in "Products and Priorities" issued by the War Production Board, as the same may be modified from time to time, which contains any steel, copper or aluminum, fabricated or assembled beyond the forms and shapes specified in Schedule I, other than such as may be contained in other Class B products incorporated in it as parts or sub-assemblies.

(10) "Program" means a plan specifying the total amount of an item or class of items to be provided in a specified period of time.

(11) "Authorized program" means a program specifically authorized by the Requirements Committee or by a Claimant Agency or Industry Division within the limits of its allotment.

(12) "Production schedule" means a plan specifying the total amount of an item or class of items to be produced by an individual consumer in a specified period of time.

(13) "Authorized production schedule" means a production schedule specifically authorized within the limits of

an authorized program by a Claimant Agency or by an Industry Division with respect to a prime consumer, or specifically authorized by a prime or secondary consumer with respect to a secondary consumer producing products for it as required to meet an authorized production schedule.

(14) "Delivery order" means any purchase order, contract, release or shipping instruction which constitutes a definite and complete instruction from a purchaser to a seller calling for delivery of any material or product. The term does not include any contract, purchase order, or other arrangement which, although specifying the total amount to be delivered, contemplates that further instructions are to be given.

(15) "Authorized controlled material order" means any delivery order for any controlled material as such (as distinct from a product containing controlled material) which is placed pursuant to an allotment as provided in paragraph (s) of this regulation or which is specifically designated to be such an order by any regulation or order of the War Production Board.

GENERAL ALLOTMENT PROCEDURE

(c) This paragraph explains the general allotment procedure.

Allotments by Requirements Committee to Claimant Agencies

(1) The Requirements Committee of the War Production Board will distribute the available supply of controlled materials by making allotments to the Claimant Agencies or Industry Divisions for each quarter, designating the amount of each form of controlled material available, during the quarter, to each Claimant Agency or Industry Division for allotment to its prime and secondary consumers.

Allotments by Claimant Agencies to prime consumers producing Class A products

(2) Each Claimant Agency will distribute the allotments received by it by making further allotments to the prime consumers who produce Class A products for it. Such allotments will designate the amount of each form of controlled material available to each such prime consumer, during the quarter, for use by it or allotment to the secondary consumers producing Class A products as parts or sub-assemblies for it. A prime consumer producing Class A products for several Claimant Agencies shall obtain separate allotments from each. A Claimant Agency, may, in particular cases, make allotments through an Industry Division.

Allotments by Industry Divisions to producers of Class B products

(3) Unless otherwise specifically directed, allotments to producers of Class B products will be made only by Industry Divisions, both in the case of Class B products which are end-products and in the case of Class B products which are incorporated in other products whether Class A or Class B. Allotments made

by the Requirements Committee may be made available to the Industry Divisions for this purpose by the Claimant Agencies. Each Industry Division will make allotments to the prime consumers producing Class B products under its jurisdiction. Such allotments will designate the amount of each form of controlled material available to each such prime consumer, during the quarter, for use by it or allotment to secondary consumers producing Class A products for it. A manufacturer of several Class B products coming under the jurisdiction of different Industry Divisions shall obtain separate allotments from each. A consumer producing Class B products is always a prime consumer with respect to such production.

Allotments by Prime and Secondary Consumers

(4) Each prime consumer receiving an allotment may use that portion of the allotment which he requires to obtain controlled materials as such for his authorized production schedule, and shall allot the remainder to his secondary consumers producing Class A products for him, to cover their requirements for controlled materials. Allotments by secondary consumers to secondary consumers supplying them may be made in the same fashion. A secondary consumer producing Class A products for several other consumers shall obtain separate allotments from each.

Advance Allotments

(5) Advance allotments by Claimant Agencies or Industry Divisions to prime consumers may be made within specified limits before receipt of allotments from the Requirements Committee in order to assure fulfillment of long term programs and schedules. Prime consumers receiving such advance allotments may, in turn, make allotments to their secondary consumers, and secondary consumers may make further allotments, in the same manner as in the case of ordinary allotments, but no consumer shall make any allotment in advance of receiving his own allotment.

Allotment Numbers

(6) (1) Allotments to prime consumers shall be identified by allotment numbers consisting of a Claimant Agency letter symbol and seven digits. The Claimant Agency symbol is indicated after the name of each Agency in paragraph (b) (4) of this regulation. The first four digits identify the authorized program of the Claimant Agency. The next three digits identify the authorized production schedule of the prime consumer. The numerical identification of months and quarters as previously required is abolished. Allotments must show the quarter for which the allotment is valid—for example, "3rd quarter 1943" instead of "19". This may be abbreviated as "3Q43" and should appear immediately following the allotment number. Orders for controlled materials must indicate the month delivery is required instead of a month

number—for example, "July, 1943." The change from the numerical system shall take effect on July 1, 1943, but shall not apply to orders placed, or allotments made, before then.

(ii) Allotments to secondary consumers shall be identified by an abbreviated allotment number consisting only of a major program identification. The major program identification shall consist of the Claimant Agency letter symbol followed by the first digit only of the program number (omitting the last three digits of the program number and the entire schedule number). For example, in the case of an allotment to a prime consumer for the third quarter of 1943, designated W-2345-687, the allotment to a secondary consumer will be simply W-2-3Q43 denoting an allotment for major program number 2 of the War Department for delivery of controlled materials in the third quarter of 1943.

BILLS OF MATERIALS AND APPLICATIONS FOR ALLOTMENTS

(d) This paragraph explains the use of bills of materials, applications for allotments and other information, in making allotments.

General

(1) The basis for an allotment to a consumer shall be his actual requirements for controlled materials in connection with the fulfillment of an authorized production schedule. The production schedule shall be authorized as provided in paragraph (n) of this regulation. Information as to requirements shall be in the form of a bill of materials, an application for allotment and/or other information as provided below in this paragraph (d).

Bills of Materials

(2) A bill of materials shows the amounts of controlled materials required by a consumer and his secondary consumers, irrespective of time of delivery and inventory, for production of one unit or a specified number of units of his product. Bills of materials shall be prepared in the manner specified in "General Instructions on Bills of Materials," on forms CMP-1, CMP-2 and CMP-3 or on such other forms as may be prescribed. No consumer shall be required to furnish a bill of materials on any form which is not officially prescribed (as indicated by a Bureau of Budget number), but in cases where another form is in use which gives the same information as the official form, the Claimant Agency, Industry Division or consumer to whom a bill of materials is to be furnished may accept it on such other form.

Application for Allotment

(3) An application for allotment shows the aggregate amount of each form of controlled material required (after taking inventories into account to the extent required by CMP Regulation No. 2) by a consumer and his secondary consumers during each quarter for his entire production of a specified product or class of products for the same customer, in

the case of Class A products, or for all customers (unless otherwise directed) in the case of Class B products. Applications are to be made by manufacturers of Class A products on Form CMP-4A as issued by the appropriate Claimant Agency, and by manufacturers of Class B products on Form CMP-4B as issued by the War Production Board, or on such other forms as may be prescribed. Allotments are to be made on a quarterly basis and applications for allotments are also to be made on a quarterly basis, in lieu of a monthly basis as originally prescribed, except as may otherwise be required in any allotment or by the applicable application form.

Class B Components Not Included

(4) A bill of materials or application for allotment shall *not* include controlled materials required for manufacture of Class B products which will be incorporated in the product with respect to which the bill of material or application is submitted, although information as to the number or value of such Class B products is to be given in bills of materials to the extent required by the instructions.

MRO Excluded

(5) Requirements for maintenance, repair or operating supplies shall *not* be included in bills of materials or applications for allotment. Requirements for such purposes are to be obtained separately as provided in CMP Regulation No. 5, CMP Regulation No. 5 A and orders in the P and U series.

Where and When to File

(6) Bills of materials and applications for allotments shall be filed with the Claimant Agency, Industry Division or other consumer by whom the allotment is to be made, as indicated in paragraph (c) of this regulation. Bills of materials shall be filed only when and as called for by such Claimant Agency, Industry Division or other consumer. Manufacturers of Class A products shall file applications for allotments only when and as called for by the Claimant Agency or other consumer for whom they make their products. Manufacturers of Class B products who will require controlled materials from controlled materials producers (or whose secondary consumers will require the same) must file applications for allotments on Form CMP-4B by such date as may be designated or approved by the appropriate Industry Division (or in special cases by a Claimant Agency). Those manufacturers of Class B products who will obtain their requirements of controlled materials entirely from warehouses or retailers, and whose secondary consumers will do the same, need not file any applications for allotments. Procedures for obtaining controlled materials from warehouses or retailers, and limitations on the amount which may be obtained are provided in CMP Regulation No. 4. Manufacturers of Class A products who sell them for use as maintenance, repair or operating sup-

plies, or deliver them to distributors, shall obtain allotments on Form CMP-4B as provided in paragraph (k-1) of this regulation.

Additional Information

(7) Each person making an allotment may require such other information in lieu of, or in addition to, a bill of materials or application for allotment as is required to enable him to make the allotment requested or to furnish any bill of materials, application for allotment or other information that may be required of him. If the consumer from whom such other information is requested is of the opinion that compliance with such request would be unreasonably burdensome he may appeal for relief as provided in paragraph (z) of this regulation.

Waiver

(8) Any consumer making an allotment may waive the furnishing of a bill of materials or application for allotment, or both, if he has other information as to actual requirements of his secondary consumers (taking into account the inventory restrictions of CMP Regulation No. 2) which is sufficiently accurate and detailed to enable him to make the allotment and to furnish any bill of materials, application for allotment or other information that may be required of him.

RESPONSIBILITY FOR STATEMENTS OF REQUIREMENTS

(e) (1) The furnishing of any bill of materials, application for allotment or other information as to requirements by a consumer, shall constitute a representation by him to the person to whom it is furnished, to the appropriate Claimant Agency and to the War Production Board, that the statements contained therein are complete and accurate, to the best of his knowledge and belief, not only with respect to such consumer's own requirements but also with respect to those of his secondary consumers.

(2) Any person who ascertains that he has substantially overstated (whether by inadvertence or otherwise) his requirements, or those of his secondary consumers, for any form of controlled material, shall immediately report such error to the person to whom the statement of requirements was furnished. If he has already received an allotment based on such overstatement, he shall immediately cancel or reduce the same (or an equivalent amount of other allotments received for the same authorized production schedule) to the extent of such excess, and report such cancellation or reduction to the person from whom the allotment was received; or if he is unable for any reason to make such cancellation, he shall immediately make a full report to the person from whom he received the allotment, and shall send a copy of such report to the appropriate Claimant Agency or Industry Division, if the allotment was received from another consumer.

(3) If any consumer receives any statement of requirements which he knows or has reason to believe to be

substantially excessive (whether by inadvertence or otherwise), he shall withhold any allotment based thereon (either entirely or in an amount sufficient to correct the maximum excess) until satisfied that the statement is not excessive or that it has been appropriately modified. If unable to obtain sufficient information or an appropriate modification, he shall promptly report the matter to the appropriate Claimant Agency or Industry Division. Failure to withhold allotments or to make such report shall be deemed participation in the offense.

(4) If, after making any allotment, a consumer ascertains or has reason to believe that the allotment was substantially in excess of actual requirements, he shall either (i) correct the excess by cancelling or reducing the allotment or other allotments made by him to the same consumer, or (ii) report the matter promptly to the appropriate Claimant Agency or Industry Division. Failure to make such correction or report shall be deemed participation in the offense.

(5) An inadvertent overstatement of requirements shall be deemed substantially excessive for purposes of subparagraphs (2), (3), and (4) of this paragraph (e) if, but only if, it exceeds actual requirements by either (i) one-third or more of actual requirements or (ii) the minimum mill quantity specified in Schedule IV attached, whichever is less.

FORMS IN WHICH ALLOTMENTS MADE

(f) Each allotment, whether made by a Claimant Agency, an Industry Division or a prime or a secondary consumer, shall specify the form of the controlled material allotted. Allotments of steel shall be in terms of (1) carbon steel (including wrought iron) and (2) alloy steel, without further breakdown. Allotments of copper and aluminum shall be broken down as indicated in Schedule I. A consumer may make allotments only in the same forms of controlled materials in which he has received his allotment.

ALLOTMENTS BY CONSUMERS

(g) (1) No consumer shall make any allotment in an amount which exceeds the related allotment received by him, after deducting all other allotments made by him and all orders for controlled materials placed by him pursuant to his related allotment.

(2) No consumer shall make any allotment in excess of the amount required, to the best of his knowledge and belief, to fulfill the related authorized production schedule of the secondary consumer to whom the allotment is made (including the schedules of any secondary consumers supplying the latter).

(3) No consumer shall make any allotment for the production of Class B products and no person shall accept any allotment from a consumer for the production of Class B products, except as permitted by Direction 36 to CMP Regulation No. 1.

(4) No consumer who has received his allotment for an authorized production schedule shall place any delivery order (other than small orders placed pursuant

to paragraph (i) of this regulation) for any Class A product required to fulfill said schedule, unless concurrently therewith, he makes an allotment to the person with whom the order is placed, in the amount required by such person to fill said order (taking such person's inventory into account to the extent required by CMP Regulation No. 2); *Provided, however*, That if he purchases a Class A product from a distributor under the conditions specified in paragraph (k-1) of this regulation, he need make no allotment.

METHODS OF ALLOTMENT

(h) (1) A consumer may make an allotment to his secondary consumer on such form (including Form CMP-5 set forth in Schedule II) as may be prescribed for the purpose. Allotments may be made by telegraphing the information required by the appropriate form and confirming the same with such form.

2. Every consumer shall place on each allotment made by him the allotment number which is on the related allotment received by him, and shall indicate the quarter for which the allotment is valid, except that if the full allotment number described in subdivision (i) of paragraph (c) (6) of this regulation is on the allotment received by him, he need only place on related allotments made by him the abbreviated allotment number described in subdivision (ii) of paragraph (c) (6). If a consumer places a delivery order for which he has made an allotment by separate instrument, he shall place the appropriate number on said order, and shall indicate the quarter for which the allotment is valid.

METHOD OF CANCELLING OR REDUCING ALLOTMENTS

(i) A person who has made an allotment may cancel or reduce the same by notice in writing to the person to whom it was made. A person who has received an allotment may cancel or reduce the same by making an appropriate notation thereon and notifying the person from whom he received it. In either case, if an allotment received by a person is cancelled he must cancel all allotments which he has made, and all authorized controlled material orders which he has placed, on the basis of the allotment; and, if an allotment received by a person is reduced, he must cancel or reduce allotments which he has made, or authorized controlled material orders which he has placed, to the extent that the same exceed his allotment as reduced. If such cancellation or reduction is not practicable, he may make equivalent cancellations or reductions with respect to other allotments received by him for the same production schedule. Where such course of action is not practicable he may use or dispose of controlled materials or Class A products which he gets with an allotment in the way explained in paragraph (u) of this regulation.

ASSIGNMENT OF ALLOTMENTS

(j) (1) No consumer shall transfer or assign any allotment in any way unless:

(i) Delivery orders placed with him, in connection with which the allotment was made to him, have been transferred or assigned to another consumer;

(ii) The authorized production schedules of the respective consumers have been duly adjusted; and

(iii) The transfer or assignment is approved in writing by the person who made the allotment.

(2) Transfers or assignments of allotments may be made without complying with paragraph (j) (1) of this regulation in connection with the transfer or assignment of a business as a going concern where the transferee continues to operate substantially the same business in the same plant. The transferee may use the allotment and ratings of the transferor but the transferee must notify the War Production Board of the details of the transaction, giving the names of the persons involved.

GROUPING OF ALLOTMENTS AND SCHEDULES BY MAJOR PROGRAMS

(k) A consumer operating under several authorized production schedules may combine in a single allotment to a secondary consumer requirements for any number of different production schedules which are identified by the same major program number as provided in paragraph (c) (6) (ii), and he may authorize a single production schedule for the secondary consumer, in connection with such allotment. If the secondary consumer has filed separate applications, and the consumer making the allotment acts on such applications separately, the secondary consumer may nevertheless treat such allotments and authorized production schedules bearing the same major program number as a single allotment and a single authorized production schedule.

CLASS A PRODUCTS SOLD TO DISTRIBUTORS OR FOR MRO

(k-1) (1) A distributor of Class A products who receives physical delivery thereof may, unless otherwise specifically ordered, buy and sell the same without making or receiving allotments. A manufacturer of Class A products selling them directly or indirectly to such distributors may obtain an allotment for such manufacture from the appropriate Industry Division pursuant to application on Form CMP-4B in the same manner as if they were Class B products. If physical delivery is made directly by the manufacturer to a distributor's customer, the latter (unless he is also a distributor) shall make an allotment directly to the manufacturer in the same manner and subject to the same conditions as if the distributor had no part in the transaction.

(2) A manufacturer of Class A products who sells them for use as maintenance, repair or operating supplies (except items directly purchased and programmed by a Claimant Agency) shall, unless otherwise specifically ordered, obtain allotments for such manufacture in the same manner as provided in subparagraph (1) of this paragraph (k-1) for delivery to distributors. Applications pursuant to said subparagraph (1) and

this subparagraph (2) may be combined in a single application on Form CMP-4B.

(3) A manufacturer who also sells purchased Class A products to round out his line, which do not represent more than 10% of his total sales, shall be deemed the manufacturer of such products and not a distributor for purposes of this paragraph (k-1).

SMALL ORDER PROCEDURE

(1) This paragraph explains how orders for Class A products requiring small quantities of controlled materials may be placed without making an allotment.

Definition of Small Order

(1) A "small order" for purposes of this regulation is a delivery order for a Class A product placed with a manufacturer where the amount of any controlled material required to fill the order does not exceed the following:

Carbon steel (including wrought iron)-----	3 tons.
Alloy steel-----	1,200 pounds.
Copper and copper base alloys-----	300 pounds.
Aluminum-----	500 pounds.

The small order procedure may not be used to get from all suppliers more of the same Class A product for use in the same authorized production schedule during the same calendar quarter than can be made out of the quantities of controlled materials shown above. A person may place small orders for delivery in any one calendar quarter for any number of different Class A products, provided the quantities of controlled materials for each Class A product are within these limits.

(2) A Class A product is considered different from another Class A product if it differs from the other product by reason of one or more of its specifications such as width, thickness, temper, alloy, finish, and the like. A person must not, however, vary a minor specification just for the purpose of using the small order procedure. For example, if a person is purchasing several different kinds of springs, he may treat each different type or size of spring as a separate Class A product; and orders placed for each type or size which require controlled materials for their production within the quantity limits specified in paragraph (1) above constitute small orders, but he must not vary the specifications of the springs just to be able to place small orders.

Persons Entitled to Use the Small Order Procedure

(3) Only a prime consumer who has received an authorized production schedule from a Claimant Agency or the War Production Board, or a secondary consumer who has received an authorized production schedule from a prime consumer or from another secondary consumer, can use the small order procedure to get Class A products needed as production material to fill the authorized production schedule. A Claimant Agency may use the small order procedure to

purchase Class A products for its own use.

How to Place Small Orders for Class A Products

(4) A person placing a small order does not have to make an allotment and therefore does not have to show any allotment number or quarterly designation on his order. He must endorse his order with the symbol SO, the preference rating assigned his production schedule, and either the certification set out in CMP Regulation No. 7 or the one set out in CMP Regulation No. 3. Since he does not make an allotment he does not have to account for controlled materials purchased to fill the order and does not need to make any deduction from his own allotment. A person, in filing an application for allotments, need make no adjustment for controlled materials needed to make Class A products which he may buy under the small order procedure.

(5) Where a person places orders for a particular Class A product under the small order procedure believing his total requirements for the product during the quarter will be within the small order limits and later discovers that, due to circumstances he could not reasonably have foreseen, his total requirements for the product during the quarter will not be within the small order limits, he may still use the small order procedure, but must charge his allotment account with the total quantity of controlled materials needed to fill all orders for the product to be delivered in the quarter. However, if he does not have enough controlled materials in his allotment account to cover all of his orders for the product, he must not use the small order procedure to buy the additional quantity, but may apply for an allotment to make up the difference.

How to Obtain Production Materials to Fill Small Orders

(6) A manufacturer of Class A products who receives small orders may get controlled materials needed to fill them by endorsing his purchase orders for controlled materials with the allotment symbol SO and the certification set out in paragraph (s) (3) of this regulation or the certification set out in CMP Regulation No. 7. An order so endorsed is an authorized controlled material order. The manufacturer does not have to show any quarterly designation, or preference rating on the order. He must show the date or month when he needs to have the controlled material delivered to him either for the production of the product ordered under the small order procedure or to replace in inventory controlled material so used. If a manufacturer uses controlled materials from inventory in filling small orders, he may place authorized controlled material orders, endorsed with the SO symbol, calling for delivery of controlled materials after the small orders were delivered to his customer. He may use the SO symbol and extend his customers' ratings to get Class A products needed to fill small orders. A man-

ufacturer of Class A products may, in buying controlled materials or Class A products to be used in filling small orders for his product, combine the requirements to fill all small orders received by him. Where, in combining requirements for Class A products to fill small orders, the total amount of controlled materials required for their production is greater than the amounts shown in subparagraph (1) above, he should let his supplier know that this results from combining requirements, by endorsing on his order a statement substantially as follows:

The Class A products covered by this purchase order represent the combined requirements to fill SO orders received by me.

(7) Materials other than controlled materials, and Class B products required to fill small orders may be purchased subject to the same limits as apply to an authorized production schedule, that is they may only be ordered for delivery at the time and in the quantities necessary to meet the delivery dates specified on the small orders, subject to the inventory limits set forth in Priorities Regulation No. 1. The rating applied to deliveries of Class A products covered by a small order may be used to buy Class A products, Class B products and materials other than controlled materials, needed to fill the order. The symbol SO must be endorsed together with the rating on all orders for such production materials.

(8) If a customer placing a small order makes an allotment to cover it instead of using the symbol SO, the manufacturer who receives the order may treat the order as a small order just as though it had been endorsed with the symbol SO and no allotment had been made. He must not, however, use the allotment in such a case. In other words, a manufacturer of a Class A product receiving an allotment of controlled materials which is within the small order controlled material quantity limits has the option of either using the allotment and allotment number, or the small order procedure, but not both. A manufacturer who receives a small allotment which he chooses to treat as a small order, does not have to return the allotment or keep any record of its receipt.

Production Records

(9) A manufacturer of Class A products must keep records which will show the amount of controlled materials ordered by the use of the SO symbol, and his production records must be accurate enough to show that the quantity of Class A products produced to fill small orders is reasonably related to the amount of controlled materials bought by the use of the SO symbol.

Bill of Materials Not Required

(10) A manufacturer of a Class A product does not have to furnish his customer with a bill of materials, application for allotment, or equivalent information as to the amount of controlled materials needed to fill any particular small order. He must, however, if re-

quested, tell his customer the number of units of the Class A product ordered which he can manufacture within the limits of the quantities of controlled materials set forth in subparagraph (1) above, or he must, at the option of his customer, inform the customer that the amount of each controlled material needed to fill the order is within the permitted small order limits.

RELATIONSHIP BETWEEN ALLOTMENTS AND PRODUCTION SCHEDULES

(m) Every allotment made by a consumer must include or be accompanied by authorization of a production schedule with respect to the products to be supplied to him, and no consumer shall authorize a production schedule for a secondary consumer unless he concurrently allots the controlled materials required to fulfill the schedule; provided, however, that this paragraph shall not apply to any delivery order bearing a symbol (such as a small order bearing the symbol SO) which may be placed without making an allotment as expressly permitted by any regulation or order of the War Production Board.

MANNER OF AUTHORIZING PRODUCTION SCHEDULES

(n) (1) A production schedule for each prime consumer producing a Class A product shall be authorized by the appropriate Claimant Agency on such form as may be prescribed. A Claimant Agency may, in particular cases, authorize a production schedule through an Industry Division.

(2) A production schedule for each secondary consumer producing a Class A product shall be authorized by the consumer for whom such Class A product is to be produced, on such form as may be prescribed; provided, however, that the delivery date specified on a delivery order shall constitute an authorization of the minimum production schedule required to permit delivery on such date.

(3) A production schedule for each consumer producing a Class B product shall be authorized by the appropriate Industry Division (or in special cases by a Claimant Agency) on such form as may be prescribed.

(4) A consumer receiving allotments from several persons shall obtain separate authorized production schedules from each.

(5) Prior to authorizing a production schedule, a Claimant Agency, Industry Division or consumer may furnish a tentative production schedule to be used as a basis in submitting requirements, but such action shall not constitute authorization of a schedule.

AUTHORIZED PRODUCTION SCHEDULES MUST BE FILLED

(o) (1) Each consumer receiving an authorized production schedule shall fulfill the same unless prevented by circumstances beyond his control, except that a manufacturer of Class B products need not produce more than required to fill orders bearing preference ratings.

(2) No consumer who has received an authorized production schedule shall exceed such schedule in any month, except that (i) a deficiency in meeting an authorized production schedule during any month may be made up in any subsequent month or months, (ii) production authorized for any month may be completed at any time after the 15th of the preceding month and, (iii) where a delivery order calls for deliveries, on several dates, of Class A products in quantities which are less than the minimum practicable production quantity, and compliance with monthly production schedules would result in substantial interruption of production and consequent interference with production to fill other delivery orders, the consumer may produce (and his customer may order and receive) at one time the minimum practicable quantity which may be made without such interference. A person shall be deemed to exceed an authorized production schedule if his completion of finished products exceeds the limits authorized, or if his rate of fabricating, assembling, or otherwise processing, or acquiring raw materials or parts, exceeds the practicable working minimum required to meet the authorized production schedule.

(3) [Deleted October 4, 1943]

PROTECTION OF CLASS A PRODUCT SCHEDULES

(p) (1) No person shall accept an allotment for the manufacture of a Class A product, regardless of the accompanying preference rating, if he does not expect to be able to fulfill the related authorized production schedule, subject to unexpected contingencies and to any period of grace which may be specified by the person who offers the allotment and the authorized schedule.

(2) No person who has accepted an allotment and an authorized production schedule for a Class A product shall thereafter accept any delivery order (except an order rated AAA) for any Class A, Class B or other product manufactured by him, regardless of the accompanying preference rating or allotment number or symbol, unless he expects that, subject to unexpected contingencies, he can fill the order without interfering with the fulfillment of such previously accepted authorized production schedule.

(3) A person making Class B products to fill unrated or low rated orders must accept higher rated orders to the extent and subject to the exceptions provided in Priorities Regulation No. 1, unless he is also making a Class A product on an authorized production schedule, with which such higher rated orders would interfere contrary to the provisions of subparagraph (2) above.

(4) If a person whose allotment or delivery order is rejected pursuant to this paragraph (p) is unable to find another supplier who is in a position to accept it, he should report the facts to the appropriate Claimant Agency or Industry Division. The War Production Board (or the appropriate Claimant Agency, if only orders bearing its symbol are involved, or

if all Claimant Agencies concerned have stipulated a single Claimant Agency for the purpose) may make exceptions to the provisions of this paragraph (p) where necessary to assure the filling of orders bearing high preference ratings.

(5) The provisions of Priorities Regulation No. 1 with respect to the acceptance and filling of rated orders and the sequence of deliveries shall remain applicable except as otherwise specifically provided in this regulation, CMP Regulation No. 3, or any other applicable regulation or order of the War Production Board.

RECONCILIATION OF CONFLICTING SCHEDULES

(q) In any case where, for any reason, a manufacturer of Class A or Class B products is unable to fulfill conflicting authorized production schedules which he has accepted from different persons, he shall immediately report to the appropriate Industry Division for directions, except that such report shall be made to a Claimant Agency if all conflicting schedules bear its symbol or if all Claimant Agencies whose schedules conflict have stipulated a single Claimant Agency for such purposes. (See Interpretation No. 15 to CMP Regulation No. 1.)

ALTERNATIVE PROCEDURE FOR SIMULTANEOUS ALLOTMENTS

(r) A prime or secondary consumer who has several secondary consumers in different degrees of remoteness and finds it impracticable to determine the exact allotments to be made to each of his immediate secondary consumers, for their needs and those of their secondary consumers, may, at his option, make simultaneous direct allotments to each secondary consumer, of all degrees of remoteness, by adopting the following procedure:

(1) The consumer who is to make the allotment (hereafter in this paragraph (r) called the originating consumer) shall maintain a complete list of all secondary consumers making Class A products for incorporation in his product. He shall keep this list current at all times by requiring each of his immediate secondary consumers to report promptly to him any change with respect to the source of each secondary consumer's Class A purchased products.

(2) Immediately upon receiving an allotment, the originating consumer shall notify each secondary consumer on the list (either directly or through intervening secondary consumers) of the authorized schedule for which the allotment has been made to him. Such notice shall not include an allotment number. It shall identify the product to be delivered by the secondary consumer to whom the notice is sent and state the quantity to be delivered and the time when delivery is required.

(3) Promptly upon receipt of such preliminary notice, each secondary consumer shall report to the originating consumer directly (not through intervening secondary consumers), the amount of each form of controlled

material required by him each month in order to make the deliveries indicated. Each such secondary consumer shall include only his own requirements of controlled materials, not those of his secondary consumers. No form is prescribed for such statement.

(4) The originating consumer shall then determine the total requirements of all his secondary consumers under the schedule, checking the list to make certain that a preliminary statement of requirements has been received from each secondary consumer.

(5) If such summary shows that the aggregate requirements of the originating consumer and all his secondary consumers for each form of controlled material do not exceed the allotment made to him for the schedule he may then allot directly to each secondary consumer on the list the amount indicated in the preliminary statement of requirements. No form is prescribed for such allotment, and it may be made by telegram, but it must include the allotment number required by paragraph (c) (6) (ii) of this regulation and must show the quarter for which the allotment is valid, and a statement substantially as follows: "This allotment is made in accordance with the alternative procedure for simultaneous allotments provided in paragraph (r) of CMP Regulation No. 1." Such allotment shall constitute authorization of a production schedule for the secondary consumer in the amount specified in the notice sent to him pursuant to subparagraph (2) of this paragraph (r). If aggregate requirements do not exceed his allotment, the originating consumer shall be under no obligation to check the accuracy of the preliminary statements received from his secondary consumers before making allotments to them, but otherwise he and his secondary consumers shall remain subject to the provisions of paragraph (e) of this regulation regarding responsibility for statements of requirements.

(6) If the summary shows that the aggregate requirements of the originating consumer and all his secondary consumers exceed the allotment made to him with respect to any form of controlled material, the originating consumer shall not make any allotment or place any authorized controlled material order for the production schedule covered by his allotment until and unless:

(i) Requirements have been revised by himself or by one or more of his secondary consumers to the extent necessary to eliminate such excess, or

(ii) With the express permission of the appropriate Claimant Agency or Industry Division after he has reported the facts to it, he withholds an amount sufficient to cover all adjustments which must be made in the requirements of his secondary consumers in order to bring them within his allotment.

HOW TO PLACE ORDERS WITH CONTROLLED MATERIALS PRODUCERS

(s) (1) A delivery order placed with a controlled materials producer for con-

trolled material shall be deemed an authorized controlled material order if, but only if, it complies with the provisions of this paragraph (s) or is specifically designated as an authorized controlled material order by any regulation or order of the War Production Board.

(2) A consumer who has received an allotment may place an authorized controlled material order with any controlled materials producer, unless otherwise specifically directed. An allotment to a prime consumer may include a direction to place delivery orders for controlled materials with one or more designated controlled materials producers. In such event the consumer shall use the allotment only to obtain controlled materials from the designated controlled materials producer or producers or to make allotments to secondary consumers, designating therein only producers named in the allotment received by him. Except as required by the allotment which he has received, no consumer shall impose any such restriction in any allotment made by him.

(3) Every authorized controlled material order must be identified by an endorsement including an allotment number or symbol. Unless another form of endorsement is specifically prescribed by an applicable order or regulation of the War Production Board, such endorsement shall be in substantially the following form (or in the form prescribed in CMP Regulation No. 7), signed manually or as provided in Priorities Regulation No. 7:

The undersigned certifies, subject to the criminal penalties of Section 35 (A) of the U. S. Criminal Code, that he has received an allotment or allotments of controlled materials (or delivery orders not requiring allotments) authorizing him, pursuant to CMP Regulation No. 1, to place an authorized controlled material order in the amount herein indicated for delivery in the month specified, and that he is authorized to use the allotment number -----

The allotment number included in such endorsement shall be the abbreviated allotment number prescribed by paragraph (c) (6) (ii) of this regulation. Each such order must indicate a specific delivery month in the quarter for which the allotment is valid and need not show the month number as originally prescribed. For example, if a consumer receives an allotment bearing the number W-2-3Q43 and places an authorized controlled material order calling for delivery in August, 1943, the order shall bear the number W-2-3Q43. An authorized controlled material order placed under paragraph (1) of this regulation, relating to small orders, should be endorsed in the way described in paragraph (1) (6) of this regulation.

(4) A delivery order for controlled material must be in sufficient detail to permit entry on mill schedules and must be received by the controlled materials producer at such time in advance as is specified in Schedule III attached, or at such later time as the controlled materials producer may find it practicable to accept the same,

provided that no controlled materials producer shall discriminate between customers in rejecting or accepting late orders.

(5) [Deleted October 4, 1943. Obsolete.]

(6) [Deleted Sept. 17, 1943.]

(7) No person shall place an authorized controlled material order unless the amount of controlled material ordered is within the related allotment received by him, after deducting all allotments made by him and all orders for the controlled material placed by him pursuant to the same allotment, or unless he is expressly authorized to place such an order by any applicable regulation or order of the War Production Board.

RESTRICTIONS ON PLACING AUTHORIZED CONTROLLED MATERIAL ORDERS

(s-1) In no event shall a consumer request delivery of any controlled material in a greater amount or on an earlier date than required to fill his authorized production schedule, or in an amount so large or on a date so early that receipt of such amount on the requested date would result in his having an inventory of controlled materials in excess of the limitations prescribed by CMP Regulation No. 2 or by any other applicable regulation or order of the War Production Board. No consumer shall, however, be required by the provisions of this paragraph (s-1) to reduce a delivery order below the minimum mill quantity specified in Schedule IV.

CONTROLLED MATERIALS PRODUCERS

(t) This paragraph deals with the obligations of controlled materials producers under the Controlled Materials Plan.

Production Directives

(1) Each controlled materials producer shall comply with such production directives as may be issued from time to time by the War Production Board.

Acceptance and Rejection of Orders

(2) A controlled materials producer shall accept authorized controlled material orders in the order in which received by him except:

(i) He may reject orders for less than the minimum mill quantities specified in Schedule IV attached, but shall not discriminate between customers in rejecting or accepting such orders.

(ii) In any case where he is of the opinion that the filling of the order would substantially reduce his over-all production owing to the large or small size of the order, unusual specifications, or otherwise, he shall apply to the appropriate Controlled Materials Division. The War Production Board may direct that the order be placed with another supplier or take other appropriate action.

(iii) He shall refuse any order for shipment of any product in any month if such order, together with all his authorized controlled material orders already on hand for delivery during that month and any orders carried over from the preceding month, plus such amounts as he may be directed by the War Production Board to deliver or set aside for delivery to warehouses or nonin-

tegrated mills or otherwise, total 110% of the production of such product specified in his production directive, or, if no production directive is currently in effect with respect to such product, total 105% of his expected production. As soon as such limits of 110% and 105% respectively have been reached, each controlled materials producer shall promptly notify the appropriate Controlled Materials Division in writing, unless he has received contrary instructions from the War Production Board.

(iv) He shall reject orders to the extent required by specific direction of the War Production Board.

(3) A controlled materials producer must reject any new order for any controlled material unless he is permitted to fill it under this paragraph. A controlled materials producer shall not deliver any controlled material except to fill:

(i) An authorized controlled material order;

(ii) A sample order. A sample order must be supported by the purchaser's certificate that he will use the material solely for testing purposes (in connection with war production). On orders for steel (except stainless steel, tool steel and steel castings) the purchaser must also certify that the total amount received and on order for delivery within any calendar quarter does not exceed 1,000 pounds of any composition nor a total of 3,000 pounds of all compositions. On orders for other controlled materials (including stainless steel, tool steel and steel castings) the aggregate amount of any item delivered by any producer to any one purchaser in any one month shall not exceed 1% of the minimum mill quantity prescribed with respect to such item in Schedule IV of this regulation;

(iii) An order which he is authorized or required to fill by any written direction of the War Production Board.

If a controlled materials producer takes controlled materials which he has produced and processes them into a form other than a controlled materials form, such processing shall be considered a delivery for the purposes of this paragraph (t). In addition, if a controlled materials producer takes aluminum produced by him and processes it into certain other forms of controlled material as provided in Direction 3 under this regulation, delivery for such processing (or such processing if there is actually no delivery) shall also be considered a delivery for the purposes of this paragraph (t).

Time for Delivery—Postponed Deliveries

(4) A controlled materials producer shall make delivery on each authorized controlled material order as close to the requested delivery date as is practicable in view of the need for maximum production and compliance with production schedules. He may make delivery during the 15 days prior to the requested delivery month, but not before then, provided such delivery does not interfere with delivery on authorized controlled material orders calling for shipment in such

preceding month, or earlier months and provided production to meet such delivery would not violate any production directive. If a producer, after accepting an order within the limits of paragraph (b) (2) (iii) finds that, due to contingencies which he could not reasonably have foreseen, he is obliged to postpone the delivery date, he must promptly advise his customer of the approximate date when delivery can be scheduled, and keep his customer advised of any changes in that date. Delivery of any such carry-over order for steel or copper must be scheduled and made in preference to any order for similar material originally scheduled for a later month. The time of production and delivery of any such carry-over order for aluminum is covered in Direction No. 23 to this regulation. When the new date for delivery on a carry-over order falls within a later quarter than that indicated on the original order, the producer must make delivery on the basis of the original order even if that order shows that the allotment was valid for a quarter earlier than the one in which delivery is actually to be made. When directed by the War Production Board, a controlled materials producer must promptly notify the appropriate Controlled Materials Division of all carry-over orders on his books, giving allotment numbers, names of customers and material covered by the carry-over orders.

Tentative Acceptance of Authorized Controlled Material Orders

(5) If a producer is unable to accept an order for the month requested because of the restrictions of paragraph (b) (2) (iii), but has open space available in either of the two following months, the producer must accept and schedule the order for delivery as early as possible in either of the two following months and must promptly notify the customer of the proposed delivery date and tell him that the order has been accepted subject to written confirmation within seven days. If the customer does not have, written confirmation of the new delivery date in the producer's hands within seven days after the date on which the notice of tentative acceptance was sent, the producer must cancel the order. If the new delivery date falls within a later quarter than that shown on the original authorized controlled material order the confirmation has no effect unless it is accompanied by the customer's certification that he has an allotment valid for the new quarter, in which case the customer must charge the order against that allotment. The confirmation and certification may be by letter or telegram. If made by letter, the letter must be signed by a person authorized to sign the form of certification required on authorized controlled material orders and if made by telegram a copy must be signed by such a person and held in the customer's file.

Directions by the War Production Board

(6) All directions to controlled materials producers affecting production and

distribution of controlled materials shall be issued by the War Production Board.

Commercial Tolerances

(7) If the controlled material delivered pursuant to an authorized controlled material order varies from the exact amount specified in the authorized controlled material order, the making and acceptance of such delivery shall not be deemed a violation of this regulation or any other CMP Regulation by the controlled materials producer or his customer, provided such variation does not exceed the commercially recognized shipping tolerance, or allowance for excess or shortage.

Authorized Controlled Material Order Is Not an Allotment

(8) An authorized controlled material order shall not constitute an allotment of controlled material to the controlled materials producer with whom it is placed. If a controlled materials producer requires delivery of controlled materials from other controlled materials producers, to be processed by him and sold to his customers in another form or shape constituting a controlled material, such delivery may be made or accepted only pursuant to a specific direction as provided in subparagraph (3) (iii) of this paragraph (b) or pursuant to allotment as provided in CMP Regulation No. 8. Specific instructions will inform a controlled materials producer whether to apply for a direction by letter or for an allotment pursuant to CMP Regulation No. 8.

RESTRICTIONS ON USE OF ALLOTMENTS AND MATERIALS

(u) This paragraph explains the restrictions on the use of allotments and controlled materials or Class A products obtained with an allotment.

Use of Allotments

(1) A consumer must not use an allotment to buy any controlled materials or Class A products except (i) what he needs to fill the authorized production schedule for which the allotment was made or (ii) what he needs to fill any of his other authorized production schedules, within the same plant or operating unit, which bear the same Claimant Agency letter symbol, or (iii) to replace in inventory controlled materials or Class A products used to fill any of such authorized production schedules. The symbols W and O are considered the same Claimant Agency letter symbol for purposes of this paragraph. However, each of the other letter symbols are considered separate Claimant Agency letter symbols. In no case may a consumer use an allotment for any purpose which would interfere with filling the schedule for which the allotment was made. Where an allotment made for one schedule is used in filling another schedule in the same plant or operating unit

and identified by the same Claimant Agency letter symbol, no charge need be made against the allotment account of the second schedule, but an appropriate record must be made, on the allotment accounts or otherwise, describing the circumstances.

Return of Allotments

(2) If a consumer's needs for a controlled material or Class A product are reduced before he has ordered or received delivery of them and he does not need to use his allotment for another one of his authorized production schedules bearing the same Claimant Agency letter symbol, or for inventory replacement, as permitted in subparagraph (1) above, he must immediately return the allotment as explained in paragraph (w). If he has already placed authorized controlled material orders or made allotments on the basis of his allotment at the time he learns of the reduction in his needs, he must cancel them. If it is too late to cancel the orders, he may receive delivery of the controlled materials and Class A products, in which case his use of them is covered by subparagraph (3) below.

Use of Materials and Products Obtained With Allotments

(3) If a consumer has received physical delivery of controlled materials or Class A products pursuant to an allotment, he may use them for the same purposes for which he is permitted to use the allotment as provided in subparagraph (1) above. Also, if it develops, after he has actually received delivery, or when it is too late to prevent delivery, that he does not need them for a purpose permitted under subparagraph (1) above he may (i) sell them under Priorities Regulation No. 13, relating to sales of idle or excess stocks, or under WPB Directive 16, relating to aircraft inventory transfers, or (ii) use them on any of his other authorized production schedules having an unused allotment big enough to cover the amount of materials involved. If he uses the materials on another authorized production schedule he must, unless the second schedule is filled in the same plant or operating unit and is identified by the same Claimant Agency letter symbol, charge the quantity transferred from the first schedule against the allotment account of the second schedule and an appropriate record must be made, on the allotment accounts or otherwise, describing the circumstances.

Specific Instructions

(4) If, before using or selling controlled materials or Class A products in

a way permitted by this paragraph (u), the consumer receives directions from the War Production Board as to disposition or use of the same, he must comply with such directions. Also, he must comply with any directions he receives from a Claimant Agency with respect to his use of controlled materials or Class A products which he got by use of an allotment from that Claimant Agency, in any program of the same Claimant Agency, or with respect to their sale to any other person for use in a program of the same Claimant Agency, subject always to whatever rights he may have to reimbursement.

Common Inventories

(5) A consumer need not segregate inventories of controlled materials or Class A products which he gets by use of his allotments, even though different allotment numbers are used in ordering them, nor does he have to earmark them for a particular schedule. Although a consumer must charge the appropriate allotment account when placing an authorized controlled material order or making an allotment, he may keep all controlled materials and Class A products received in a common inventory and in withdrawing from inventory he does not have to charge the withdrawal against the allotment account. A consumer who is operating under several authorized production schedules need not maintain separate records of the production obtained from the allotment received for each schedule if the records which he normally keeps show that his use of material for his respective schedules is substantially proportionate to the amounts of material allotted for each and that his aggregate production of any product does not exceed the aggregate of the production schedules authorized for that product.

ADJUSTMENTS FOR PURCHASES UNDER PRIORITIES REGULATION 13

(v) A consumer must charge his allotment account with the amount of materials purchased under Priorities Regulation 13 unless that regulation says he does not have to do so.

WHAT TO DO IF REQUIREMENTS CHANGE

(w) This paragraph explains what to do if requirements increase or decrease.

Supplementary Applications

(1) If a consumer's requirements for controlled materials or Class A products needed to fill a schedule are increased

after he receives his allotment, he may apply for an additional allotment to the person who made the allotment for that schedule.

Periodic Check-up on Allotments and Return of Excess

(2) As explained in paragraph (e), if a consumer finds that he has been allotted substantially more than he needs, he must return the excess. As of the first of each month, each consumer must check up on his anticipated requirements for the quarter and determine whether he has been allotted substantially more than he anticipates he needs. If he has, he must return the excess by the tenth of the month. He need not take a physical inventory for this purpose, but must merely check up on the effect of known changes in his requirements or errors which he has discovered in his statement of requirements. As of the end of each quarter, he must determine whether he has used his entire allotment by placing authorized controlled material orders or making allotments to his secondary consumers and, if he has any excess, however small, he must return it by the tenth day after the close of the quarter.

To Whom Returns Made—Form CMP-32

(3) The return of an unneeded allotment must be made to the person from whom the allotment was received. The return of unused allotment balances to be made within ten days after the end of the quarter must be made to the Claimant Agency or Industry Division originating the allotment. Form CMP-32, available at all War Production Board offices, should be used for this purpose, but if it is impractical to get this form, the return may be made by letter. Attention is called to Direction No. 26 to CMP Regulation No. 1, which explains when allotments may be returned by a secondary consumer directly to a Claimant Agency or Industry Division rather than to the person making the allotment. The Direction also gives the addresses to which returns to Claimant Agencies or the War Production Board should be sent.

OTHER WAR PRODUCTION BOARD REGULATIONS AND ORDERS

(x) Nothing in this regulation (or any other CMP regulation) shall be construed to relieve any person from complying with any applicable priorities regulation or any order of the War Pro-

duction Board (including orders in the "E", "L", "M" and "P" series). In case compliance by any person with the provisions of any such regulation or order would prevent fulfillment of an authorized production schedule, he should immediately report the matter to the appropriate Industry Division, and to the Claimant Agency whose schedule is affected. The War Production Board will thereupon take such action as is deemed appropriate, but unless and until otherwise expressly authorized or directed by the War Production Board, such person shall comply with the provisions of such regulation or order.

RECORDS AND REPORTS

(y) (1) Each consumer making or receiving any allotment of controlled materials shall maintain at his regular place of business accurate records of all allotments received, of procurement pursuant to all allotments, and of the subdivision of all allotments among his direct secondary consumers. Such records shall be kept separately by abbreviated allotment numbers, as provided in paragraph (c) (6) (ii) of this regulation, and shall include separate entries under each number for each customer, Claimant Agency or Industry Division from whom allotments are received under such number.

(2) Each controlled materials producer shall report to the appropriate Controlled Materials Division, on the forms and for the periods prescribed, such information on production, consumption and distribution of controlled materials as may be prescribed by the War Production Board.

(3) Each prime or secondary consumer and each controlled materials producer shall retain for two years at his regular place of business all documents on which he relies as entitling him to make or receive an allotment or to deliver or accept delivery of controlled materials or Class A products, segregated and available for inspection by representatives of the War Production Board, or Claimant Agencies, or filed in such manner that they can be readily segregated and made available for such inspection.

APPEALS AND APPLICATIONS FOR RELIEF

(2) (1) Any person who is subject to any requirement of any regulation, direction, order or other action under the Controlled Materials Plan, may appeal for relief by filing a letter in triplicate with the appropriate authority specified below in this paragraph (2), setting forth the pertinent facts and the reasons why such person considers that he is entitled to relief.

(2) Except as provided in subparagraphs (3) and (4) of this paragraph (2) or as otherwise specifically directed, an appeal by a producer of Class A products

should be filed with the appropriate Claimant Agency, and an appeal by a producer of Class B products should be filed with the appropriate Industry Division, unless the matter affects only production schedules of a single Claimant Agency or where a single Claimant Agency has been stipulated for the purpose by all Claimant Agencies whose schedules are affected, in which case the appeal should be filed with such Claimant Agency.

(3) An appeal concerning the operations of a controlled materials producer (whether filed by such producer, by a consumer, or by a Claimant Agency) should be filed with the appropriate Controlled Materials Division.

(4) A producer of Class B products may apply for permission to be treated as a producer of Class A products. A producer of Class A products making a large variety of items which are sold to many customers and whose allotments originate from several Claimant Agencies, may make application to be treated as a producer of Class B products, but such permission will not be granted with reference to component parts or sub-assemblies, unless the necessary adjustments in bills of materials which include such component parts or sub-assemblies can be made without difficulty. Application for reclassification should be filed with the CMP Division, War Production Board, Washington, D. C., and may be filed either directly by the producer or by a Claimant Agency on his behalf.

(5) In case of any disagreement between any persons as to the interpretation of any provisions of this regulation or any other regulation, direction, or order under the Controlled Materials Plan, the matter should be referred to the CMP Division, War Production Board, Washington 25, D. C.

PENALTIES

(aa) Any person who willfully purports to make any allotment of controlled materials or to place authorized controlled material orders in excess of the amount allotted to him, or violates any other provision of this regulation, or any other regulation, direction or order under the Controlled Materials Plan, or who knowingly or willfully makes any false or fraudulent statement or representation with respect to requirements for controlled materials or in any other matter under the jurisdiction of any agency of the United States under the Controlled Materials Plan, is guilty of a crime and, upon conviction, may be punished by a fine up to \$10,000 or by imprisonment or both. In addition, any such person may be prohibited from making or obtaining further deliveries or allotments of controlled material or from making or obtaining any further deliveries of, or from processing or using, any material under priorities control, and may be deprived of priorities assistance.

Issued this 2d day of February 1944.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

SCHEDULE I

STEEL

Carbon steel (including wrought iron)

NOTE: Schedule I amended Feb. 2, 1944.

CMP Code No.	Materials	Code also includes	Code does not include
2001 2005	Bars, cold finished..... Bars, hot rolled or forged.....	Concrete reinforcing bars and rolled fence posts. Angles, channels, T's and Z's under 3" maximum.	Bars forged by a nonproducer, except when sold by a distributor. After March 31, 1944, tool steel, irrespective of grinding, when cut to length and heat-treated for use as tool bits.
2011 2016	Ingots, billets, blooms, slabs, die blocks, tube rounds, sheet and tin bar, and skelp. Pipe, including threaded couplings of the type normally supplied on threaded pipe by pipe mills.	Galvanized. Line, oil country goods and water well tubular products. Bedstead tubing.	
2021 2026	Plates..... Rail and track accessories.....	Rail, rail joints, track spikes, tie plates, and track bolts.	Gage rods, mine ties, clip bolts, rail clips and nut locks. Frogs, crossings, switches, switch stands, rail anchors, rail braces, guard rails, and guard rail clamps.
2031	Sheet and strip.....	Hot and cold rolled (includes coated products and copper clad including hoops).	Steel roofing sheets coated with bitumen, asphalt or asbestos.
2036	Steel castings.....	Cast steel magnets (whether magnetized or unmagnetized).	
2041	Structural shapes and piling....	Steel sheet piling and bearing piles.	
2046	Tin plate, terne plate and tin mill black plate.	When coated or lithographed by a steel producer.	When coated or lithographed by other than a steel producer.
2051 2056	Tubing..... Wheels, tires and axles.....	Mechanical, pressure, and brazed.....	Resilient wheels. (After December 31, 1943, resilient wheels will be handled as a Class B product.)
2061	Wire rods, wire and wire products.....	Drawn wire, barbed and twisted wire, woven wire fence fabric (including chain link fence fabric), wire nails, cut nails, lead-headed nails, horse shoe nails, foundry nails, wire rope, welded steel wire reinforcing mesh; fence post fasteners; wire bale ties; wire netting; coated wire (when coated by producers).	Wire tacks, wire shoe nails, cut nails made from tack plate; wire rope when fabricated into slings (including splicing loops and endless splicing) or when attachments are made (including slings with fittings such as sockets, rings, shackles, thimbles, etc.). Welded wire reinforcing mesh with water-proof paper back. Coated and uncoated welding rods and welding wire. Gates. Chain link fence, completely fabricated. Boat spikes, dock spikes and wharf spikes.

Alloy Steel (including stainless)

(See note at foot of Alloy Steel List)

2501 2505 2511	Bars, cold finished..... Bars, hot rolled..... Ingots, billets, blooms slabs, die blocks, tube rounds, sheet bar.....		
2516	Pipe and couplings for threaded pipe.....		
2521	Plates, all plates (including rolled armored plate in the form and shape to which it is rolled by the steel mill and prior to any subsequent fabrication) and including nickel clad and stainless clad.....		
2526	Track accessories.....		
2531	Sheet and strip.....	Stainless clad.....	
2536	Steel castings.....		
2541	Structural shapes.....		
2551	Tubing.....		
2556	Wheels, tires and axles.....		
2561	Wire rods, wire, and wire products.....		

NOTE: Alloy Steel Codes also include and exclude the items shown under the headings "Code Also Includes" and "Code Does Not Include" shown opposite comparable Carbon Steel Codes.

COPPER AND COPPER-BASE ALLOY PRODUCTS

Brass Mill Products (Copper-Base Alloy)

Alloy Sheet, Strip and Plate

3011	Alloy sheet, strip and plate.....	Strip equivalent of ammunition cups and discs.	
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Alloy Rods, Bars and Wire, Including Extruded Shapes

3021	Alloy rods, bars and wire.....	Extruded shapes and rod equivalent of ammunition slugs.	
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SCHEDULE I—Continued
ALUMINUM PRODUCTS—continued
Shapes, Rolled or Extruded

OMP Code No.	Materials	Code also includes	Code does not include
4251	Roll structural shapes (angles, channels, tees, etc.)		
4301	Extruded shapes, 2S, 3S, 53S and 61S alloys		
4311	Extruded shapes, all alloys other than 2S, 3S, 53S and 61S.		

Sheet, Strip, Plate and Roll

4351	Sheet, strip and plate, 2S and 3S alloys		
4361	Sheet, strip and plate, all alloys other than 2S and 3S.		
4371	Slices		
4601	Roll		

Tubing

4401	Tubing, 2S and 3S alloys		
4411	Tubing, all alloys other than 2S and 3S.		

Tube Blooms

4421	Tube Blooms, 2S and 3S alloys		
4431	Tube Blooms, all alloys other than 2S and 3S.		

Ingot and Powder

4501	Powder (including atomized, granular, flake, floc, and pigment)		
4501	Ingot, pig, billets, slabs, etc.		

Note: Steel, copper and copper base alloys, and aluminum, in any of the above forms but alloys of steel, copper and copper base alloy products and aluminum, are made in the forms shown in italics without further breakdown.

SCHEDULE II—SHORT FORM OF ALLOTMENT

Allotment number	Controlled Material Products allotted

Above allotments are made for use in filling this delivery order in compliance with OMP Regulation No. 1.

INSTRUCTIONS FOR USE OF SHORT FORM OF ALLOTMENT—Form OMP-5

The above short form of allotment may be used by any consumer for the purpose of making an allotment to a secondary consumer producing Class A products for him. The short form of allotment must be either placed on or physically attached to the delivery order calling for delivery of the Class A products. If it is attached the delivery order number or other identification must be indicated on the form.

The form must be followed by the signature of an authorized official of the consumer making the allotment, but need not be separately signed if it is placed on the delivery order in such a position that the signature of the delivery order by such an authorized official clearly applies to the allotment as well as to the order itself.

The size of the form may be varied, but all information called for by the form must be supplied and the general arrangement and wording of the form must be followed.

Under the heading "Controlled Material Products Allotted" the person making the allotment must designate the forms which

SCHEDULE I—Continued
COPPER AND COPPER-BASE ALLOY PRODUCTS—continued
Alloy Seamless Tube and Pipe

OMP Code No.	Materials	Code also includes	Code does not include
3041	Alloy seamless tube and pipe	Tube equivalent of rotating bands	Wrought seam tube
		Brass Mill Products (Unalloyed Copper)	
3051	Plate, sheet and strip		
3061	Rods, bars and wire	Extruded shapes	Wire bars and hot bars, rod and wire for electrical conduction
3071	Tube and pipe	Tube equivalent of rotating bands	

Wire Mill Products (Copper and Copper-base Alloy)

3101	Wire and cable	Base, insulated, armored and copper-clad steel	
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Foundry Products (Copper and Copper-base Alloy)

4201	Castings (before machining)		Machined castings, pressed metal shapes (an unclassified product)
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ALUMINUM PRODUCTS

Rod, Bar, Wire and Cable

4021	Rod and bar 3/8"-2"		
4031	Rod and bar over 2"-12"		
4041	Rod and bar over 12"-36"		
4051	Rod and bar over 36"-60"		
4121	Wire (under 3/8")		
4151	Cable (electrical transmission only)		

Rivets

4122	Rivets		
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Forgings, pressings, and impact extrusions

4171	Forgings and pressings (before machining)		Hooker tubing and collapsible tubes
4201	Impact extrusions		

Castings before machining

4252	Cylinder head for air-cooled engine		Cylinder head castings for air-cooled engines
4253	Other heat-treated castings		
4254	Non-heat-treated sand		
4255	Heat-treated permanent mold		
4256	Non-heat-treated permanent mold		
4257	Cold-chamber Die		
4258	Hot-chamber Die		
4259	Other than listed above, such as centrifugal, plaster, etc.		

are allotted. These must be shown in the breakdown prescribed in Schedule I of CMP Regulation No. 1, and must be within the allotments received by such consumer for the same forms. Additional columns may be added depending on the number of forms of controlled material allotted. A sample form follows:

Allotment number	Controlled Material Products allotted			
	Carbon steel	Copper base alloy seamless tube and pipe	Copper sheets and strip	Aluminum castings
N-1-3Q43	Tons 100	Lbs. 10,000	Lbs. 8,000	Lbs. 100

Above allotments are made for use in filling this delivery order in compliance with CMP Regulation No. 1.

SCHEDULE III—TIME FOR PLACING AUTHORIZED CONTROLLED MATERIAL ORDERS

NOTE: Schedule III amended February 2, 1944.

STEEL—CARBON AND ALLOY (INCLUDING STAINLESS)

Product	Number of days in advance of first day of month in which shipment is required
Tool steel:	
Hot rolled product	60
Cold finished products	90
Cold finished bars:	
Standard sizes, grades and sections	70
Furnace treated at hot mills or special sections, odd sizes or special grades	100
Plates and shapes:	
Plates	30
Shapes	30
Pipe (carbon)	30
Sheet and strip:	
Sheet—hot rolled—16-gauge and heavier	30
Sheet—hot rolled—17-gauge and lighter	45
Sheet—cold rolled—galvanized—long	45
Sheet (alloy)—hot and cold rolled of special long-processed specification	60
Strip (low carbon) hot rolled	30
Strip (low carbon) cold rolled	45
Strip (alloy) hot and cold rolled (including electrical grade)	60
High carbon cold rolled strip (over .25 carbon) and other long processed special carbon hot rolled and cold rolled sheets and hot and cold rolled strip (including electrical grade)	60
Hot rolled bars and semi-finished:	
Except for bars heat treated and annealed	30
Bars heat treated and annealed	60
Tin mill products (carbon)	30
Tubing:	
Seamless tubing (carbon):	
Hot rolled	60
Cold drawn:	
1½" O. D. and larger	75
Under 1½" O. D.	105
Seamless tubing (alloy, exclusive of airframe and engine tubing):	
Hot rolled	90
Cold drawn:	
1½" O. D. and larger	110
Under 1½" O. D.	120
Airframe and engine tubing	120
Welded tubing (carbon):	
Mechanical:	
Hot rolled	60
Cold rolled	70

SCHEDULE III—TIME FOR PLACING AUTHORIZED CONTROLLED MATERIAL ORDERS—Continued

STEEL—CARBON AND ALLOY (INCLUDING STAINLESS)—Continued

Product	Number of days in advance of first day of month in which shipment is required
Tubing—Continued.	
Welded tubing (carbon)—Continued.	
Annealed:	
Hot rolled	70
Cold rolled	80
Drawn or swaged	85
Boiler tubes	60
Condenser and heat exchanger:	
1" O. D. and under	75
Over 1" O. D.	60
Welded tubing (alloy, including aircraft)	90
Steel castings (provided patterns are available): ¹	
Weight per casting:	
500 pounds and under	45
Over 500 pounds to 5,000 pounds	60
Over 5,000 pounds to 30,000 pounds	75
Over 30,000 pounds	90
Wire and wire products (carbon):	
Hot rolled wire rods	30
Merchant trade products	30
Manufacturing wires:	
Low carbon .0475" and heavier	45
Low carbon under .0475"	60
High carbon (0.40 carbon and higher):	
.0475" and heavier	45
Under .0475" to .021"	60
Under .021"	75
Wire rope and strand:	
¾" diameter and over	75
½" diameter and under	105
Welded wire-reinforcing fabric	45

SCHEDULE IV—MINIMUM MILL QUANTITIES

NOTE: Schedule IV amended Feb. 2, 1944.

STEEL

Product	Minimum mill quantity for each size and grade of any item for shipment at any one time to any one destination
Alloy steel (other than stainless):	
Standard grades and sections: Rounds, squares 3" and under	5 net tons.
Hexagon and flats—all sizes	5 net tons.
Stainless steel:	
Standard grades and sections	Product of one ingot.
Tool steel	500 pounds.
Castings as established by each foundry, but in no case in excess of	5 net tons.
Cold finished bars	3 net tons.
Hot rolled carbon bars and semi-finished:	
Round bars up to 3" incl., and squares, hexagons, half rounds, ovals, half ovals, etc., of approximate equivalent sectional area	5 net tons.
Round bars over 3" to 8" (including squares within this range)	15 net tons.
Flat bars, all sizes	5 net tons.
Bar size shapes (angles, tees, channels and zees under 3")	5 net tons.
Forging billets, blooms and slabs	Product of one ingot.
Rerolling billets, slabs, sheet	25 gross tons.

¹ Patterns are to be considered "available" only after they have been received at the foundry, checked, rigged for production, and sample castings have been approved.

SCHEDULE IV—MINIMUM MILL QUANTITIES—Continued

STEEL—continued

Product	Minimum mill quantity for each size and grade of any item for shipment at any one time to any one destination
Plates:	
Plates and shapes:	
Continuous strip mill production	10 net tons.
Sheared mill, universal mill or bar mill production	3 net tons.
Structural shapes	5 net tons.
Pipes	(¹)
Sheet and strip:	
Sheets—hot and cold rolled	5 net tons.
Strip—hot and cold rolled	3 net tons.
Tin mill products (one gauge)	5,000 pounds.
Track accessories:	
Track spikes, track bolts	5 net tons.
Tubing:	
Seamless tubing	
Carbon steel	
Cold drawn	
O. D. (inches)	
Up to ¾" inclusive	1000 feet
Over ¾" to 1½" inclusive	800 feet
Over 1½" to 3" inclusive	600 feet
Over 3" to 6" inclusive	400 feet
Over 6"	250 feet
Alloy steel	
Aircraft tubing	
O. D. (inches)	
Up to ¾" inclusive	1000 feet
Over ¾" to 1½" inclusive	800 feet
Over 1½" to 8" inclusive	600 feet
Over 8"	250 feet
Welded tubing	
Carbon steel, all sizes	3 net tons
Alloy steel, all sizes	5 net tons
Stainless steel, all sizes	3 net tons
Wire and wire products:	
Hot rolled wire rods	5 net tons.
Merchant trade products (Assorted Merchant Products)	5 net tons.
Manufacturing wires (wires for further fabrication):	
Low carbon	1 net ton.
High carbon (0.40 carbon and higher) .0475" and heavier	1 net ton.
Under .0475" to .021"	1,000 pounds.
Under .021"	500 pounds.
Wire rope and strand	1,000 ft. lengths.
Welded wire reinforcing fabric	(¹)

COPPER

Brass mill products	200 pounds.
Wire mill products	300 pounds.

ALUMINUM

Sheet and strip	500 pounds.
Tubing	250 pounds.
Extrusions other than extruded shapes (Extruded shapes are covered by Direction 33 to this regulation)	200 pounds.
Wire, rod and bar	200 pounds.
Rivets	50 pounds.

¹ Published carload minimum (mixed sizes and grades)

² Full rolls of manufacturer's standard stock sizes.

LIST OF INTERPRETATIONS 1 THROUGH 22 TO
CMP REGULATION No. 1

1. Discrimination.
2. Prohibition Against Duplicating Orders.
3. Controlled Materials for Use in Metal Guns, Wire Stitchers, etc.
4. "Same Class A Product" as Used in Paragraph (1) (2)—Deleted October 4, 1943.
5. Conversion of Orders not Retroactive—Deleted October 4, 1943.
6. Allotments not Required in Ordering Class A Products in Certain Cases—Deleted February 2, 1944.
7. Class A Repair Parts.
8. Period During Which Allotment Valid—Revised February 2, 1944.
9. Allotments for Minimum Production Quantities.
10. Substitution of Allotment Numbers—Revised January 10, 1944.
11. Use of Allotments to Replenish Inventory.
12. Reduction of Quantity Ordered Does Not Constitute Placing of New Order—Revoked January 10, 1944—See Interpretation 10.
13. Allotment Procedure Determines Classification of Product in Certain Cases..
14. Use of Quarterly Identification.
15. Conflict in Production Schedules of Class A Civilian Type End Products.
16. Furnishing Materials to Subcontractors.
17. Copper Flake Powder—Deleted February 2, 1944.
18. Analysis of Orders by Claimant Agency Symbols—Section A of Form CMP-4B.
19. Proper Allotment Number Must be Used in Identifying Orders.
20. Procuring Claimant Agencies.
21. Temporary Loans.
22. Rejection of Orders.

INTERPRETATION 1—DISCRIMINATION

Questions have arisen as to what constitutes discrimination between customers within the meaning of paragraphs (s) (4) and (t) (2) (1) of CMP Regulation No. 1. These provisions prohibit producers of controlled materials from discriminating between customers in rejecting or accepting orders which are filed later than the prescribed time or which call for deliveries of less than the minimum mill quantities. These provisions mean that, in similar situations, different customers must receive similar treatment. A controlled materials producer who has rejected a late order or small order from one customer, is not prohibited from accepting such an order from another customer if the difference in treatment of the two orders is based in good faith on differences in the practicability of filling the orders in view of the nature of the material ordered, the condition of the production schedule at the time the orders are received, or similar factors. (Issued March 8, 1943.)

INTERPRETATION 2—PROHIBITION AGAINST
DUPLICATING ORDERS

The question has been raised as to whether a consumer may place authorized controlled material orders or make allotments exceeding in the aggregate the total amount of his allotment if he intends to cancel the excess before delivery.

Under CMP Regulation No. 1 a consumer is prohibited from duplicating authorized controlled material orders or allotments even though he intends to cancel or reduce his delivery orders to the allotted amount prior to delivery. (Issued March 22, 1943.)

INTERPRETATION 3—CONTROLLED MATERIALS FOR
USE IN METAL GUNS, WIRE STITCHERS, ETC.

A manufacturer of equipment who also sells controlled materials merely for use in the operation of such equipment may include such controlled materials in his application for allotment as manufacturer of the

equipment, but such requirements must be separately indicated. For example, a manufacturer of a metal gun or a wire stitcher who sells rod or wire for use with his product (whether he makes such sales with the product or separately) may include his requirements for such rod or wire in his application for controlled materials needed to manufacture the gun or stitcher, but he should indicate separately on his application or in an attached note the amount of controlled material required for such purposes as distinct from the manufacture of the gun or stitcher. (Issued April 5, 1943.)

INTERPRETATION 4—"SAME CLASS A PRODUCT"
AS USED IN PARAGRAPH (1) (2)

NOTE: Deleted October 4, 1943. Now covered by (1) (2).

INTERPRETATION 5 AS AMENDED—CONVERSION
OF ORDERS NOT RETROACTIVE

NOTE: Deleted Oct. 4, 1943. See Interpretation 22—Rejection of Orders.

INTERPRETATION 6 AS AMENDED—ALLOTMENTS
NOT REQUIRED IN ORDERING CLASS A PRODUCTS
IN CERTAIN CASES

NOTE: Deleted Feb. 2, 1944. Obsolete.

INTERPRETATION 7—CLASS A REPAIR PARTS

(a) A manufacturer of Class A products who sells them for use as maintenance, repair or operating supplies is required to obtain an allotment for their manufacture from the appropriate Industry Division pursuant to application on Form CMP-4B, except where they are directly purchased and programmed by a Claimant Agency—(paragraphs (d) (6) and (k-1) (2) of CMP Regulation No. 1). Such items, with the exception noted, are handled exactly as though they were Class B products. A manufacturer is therefore prohibited by paragraph (g) (3) of CMP Regulation No. 1 from accepting an allotment from his customer, and his customer is prohibited by the same paragraph from making an allotment, for their manufacture. A variation from this rule is indicated in paragraph (b) of this interpretation.

(b) In some cases manufacturers buy class A parts such as springs, screw machine parts and stampings, for incorporation in their products and also resell some of the parts as repair parts. In such cases, if it is impracticable for the manufacturer of the part to segregate those sold for resale as repair parts from those sold for production, he should secure an allotment from his customer covering his requirements for the manufacture of both. For example, a manufacturer of electric motors (a Class B product) purchases screw machine parts (a Class A product) from another manufacturer. He uses some of the screw machine parts for building motors and resells others as repair parts. He normally orders the screw machine parts without distinction as between those which he needs for production or for resale. The motor manufacturer should make an allotment to the manufacturer of the screw machine parts to cover all the parts purchased from him. (Issued May 20, 1943.)

INTERPRETATION 9—ALLOTMENTS FOR MINIMUM
PRODUCTION QUANTITIES

(a) Paragraph (o) (2) (III) of CMP Regulation No. 1 permits a manufacturer to exceed his authorized production schedule "where a delivery order calls for delivery, in successive months, of Class A products in quantities which are less than the minimum practicable production quantity, and compliance with monthly production schedules would result in substantial interruption of production and consequent interference with production to fill other delivery orders." In such a case the manufacturer may "produce (and his customer may order) in the first month, the minimum practicable quantity

which may be made without such interference."

(b) A manufacturer is entitled to apply for (and his customer is entitled to make) an allotment during a single quarter of the quantity of controlled materials required to produce a minimum practicable production quantity even though the customer's requirements for the finished product may run over several quarters.

In illustration of the above, a customer's requirements of screw machine parts for the third and fourth quarters of 1943 constitutes a minimum practicable production quantity. The manufacturer of the screw machine parts may apply for an allotment for the third quarter of 1943 of all of the controlled materials required to produce the parts. The customer should include the quantity in his application for an allotment and if an allotment is made to him, he should make a third quarter allotment to the screw machine manufacturer for the entire quantity, and should charge the total quantity so allotted to his third quarter allotment account. (Issued June 11, 1943.)

INTERPRETATION 10—CHANGES MADE BY CUSTOMERS
IN ORDERS PLACED WITH PRODUCERS

(a) This interpretation deals with the procedure to be followed when a customer, having placed an authorized controlled material order with a producer, wishes to make changes in that order.

(b) The general rule is that any change in a customer's order constitutes a cancellation of the earlier order and must be considered as a new order received on the date of the change, if (but only if) the change necessitates alteration of the producer's production schedule to a point which would interfere with production. For example:

(1) The mere substitution of one allotment number for another which does not require alteration of the producer's schedule is not considered to constitute the placing of a new order. The customer must, of course, have an allotment identified by the substituted allotment number to support the change.

(2) A change in shipping destination does not constitute the placing of a new order.

(3) An increase in the total amount ordered constitutes the placing of a new order to the extent of the increase.

(4) An advancement or deferment of delivery, when made by the customer, will constitute entry of a new order.

(5) A reduction in the total amount ordered will presumably not require a change in the producer's schedule and will not constitute a new order. Of course, if the quantity is reduced below a minimum mill quantity, the producer may reject the order and remove it from his schedule, as provided in paragraph (t) (2) (1) of CMP Regulation No. 1, though he must not discriminate between customers in so doing.

(6) When the customer directs the producer to hold or suspend production on an order, without specifying a new delivery date, the order will not be considered as on a producer's books for the purpose of determining his obligation to accept other orders. When the customer instructs the producer to reinstate a suspended order, it shall be considered a new order as of the date of such instruction.

(7) Where minor variations in size, shape, gauge, etc., are requested by the customer and can be arranged by the producer without interfering with his production, such changes do not constitute a new order.

(c) In the case of changes which constitute a new order under this interpretation, the acceptance or rejection of the new order and its place on the producer's schedule shall be governed by conditions existing at the time the changes are received.

(d) This interpretation, as amended, supersedes Interpretation 12 of CMP Regulation

No. 1 and CMPL letter 414, which are hereby revoked. (Issued Jan. 10, 1944.)

INTERPRETATION 11—USE OF ALLOTMENTS TO REPLENISH INVENTORY

(a) An allotment may be used to replace in inventory controlled materials used to manufacture the product for which the allotment was made. This is specifically covered in paragraph (u) (1) (iii) of CMP Regulation No. 1 [§ 3175.1]. It is not necessary for a manufacturer to delay production until he receives delivery of controlled materials ordered on the basis of the allotment.

(b) A manufacturer of Class A products need not accept an order unless he receives an allotment of enough controlled materials for its manufacture even though he has enough in inventory to fill the order. However, if his inventory is excessive (more than a practicable working minimum or the limit specified in CMP Regulation No. 2) he must fill the order out of the excess. This follows from the fact that he must take inventories into account in applying for an allotment. (However, see Direction 27—Right To Specify Allotment Quarter).

(c) It is not necessary that the quarter for which an allotment is made and the quarter in which delivery of the Class A product is to be made be the same. The allotment may be for an earlier or a later quarter depending on when the manufacturer needs the allotment.

In illustration of the above, the X Company receives an order on July 1, 1943, calling for delivery of 100 transmission assemblies on September 1, 1943. Ten tons of carbon steel and two tons of alloy steel are required to fill the order. The X Company has a sufficient quantity of steel on hand to fill the order, but it is, nevertheless, entitled to an allotment of ten tons of carbon steel and two tons of alloy steel from its customer, assuming its inventory is not more than a practicable working minimum or the limit specified in CMP Regulation No. 2. The X Company may fill the order from stock on hand and obtain a fourth quarter allotment which it may use to replenish its inventory. If, in the above case, the X Company did not have controlled materials on hand to fill the order it would not be able to accept the order for delivery on September 1, 1943. If the date for delivery of the Class A products were changed to February 1, 1944, the allotment quarter would precede the quarter in which delivery of the product would be made. (Issued July 14, 1943.)

INTERPRETATION 12—REDUCTION OF QUANTITY ORDERED DOES NOT CONSTITUTE PLACING OF NEW ORDER

NOTE: Deleted Jan. 10, 1944. See Interp. 10.

INTERPRETATION 13—ALLOTMENT PROCEDURE DETERMINES CLASSIFICATION OF PRODUCT IN CERTAIN CASES

(a) When the B product allotment procedure is followed in making allotments, for the manufacture of a Class A product, all of the provisions of CMP regulations governing B products apply. A good example of this is Class A repair parts which are handled on the B product basis. Under paragraph (p) of CMP-1 (§ 3175.1), an order for a Class A product, once accepted, cannot be displaced by an order received at a later time even though the later order bears a higher preference rating. However, if the product is a Class A repair part which is handled on a Class B basis, this provision does not apply. Paragraph (g) (3) provides that no consumer may make an allotment for the production of Class B products. In the case of a Class A repair part which is handled on a Class B basis, this provision does apply.

(b) On the other hand, when the A product allotment procedure is followed for making allotments for the manufacture of a Class B product, all of the provisions of CMP

regulations governing A products apply. In such a case, the provision of paragraph (p) mentioned above does apply, and the provision of paragraph (g) (3) does not apply. (Issued Aug. 16, 1943.)

INTERPRETATION 14—USE OF QUARTERLY IDENTIFICATION

(a) It is not necessary to show the quarterly identification in rating orders for B components or other production materials, other than controlled materials. For example, "Preference rating AA-1; Allotment number W-1" is sufficient. Where an A product is ordered requiring an allotment, the quarterly identification must, of course, be shown.

(b) The quarterly identification, showing the quarter for which an allotment is valid, must be shown on all authorized controlled material orders, except as described in paragraph (c) below, and on all allotments, immediately following the abbreviated allotment number—for example, W-1-3Q43. The abbreviated allotment number is the same thing as the major program number, that is, the Claimant Agency symbol followed by the first digit of the program number. In the case of an allotment to a prime consumer designated W-1234-567, the abbreviated allotment number is W-1. The quarterly identification is not a part of the allotment number.

(c) It is not necessary to show any quarterly identification on orders for controlled materials where they are being bought under a blanket symbol (such as the MRO symbol assigned by CMP Regulation No. 5) where the use of the symbol is not limited to any particular quarter. This is also true in the case of orders bearing the SO symbol. (Issued Aug. 23, 1943.)

INTERPRETATION 15—CONFLICT IN PRODUCTION SCHEDULES OF CLASS A CIVILIAN TYPE END PRODUCTS

(a) Paragraph (q) of CMP Regulation No. 1 provides that where a manufacturer discovers a conflict between accepted production schedules received from different persons, he should report the matter to the appropriate Industry Division (or Claimant Agency under certain circumstances) for instructions.

(b) Under the provisions of this paragraph, a manufacturer of a Class A Civilian Type End Product who has received allotments and an authorized production schedule from various Claimant Agencies and from an Industry Division of the War Production Board, and who discovers, because of labor shortage, lack of capacity, delays in delivery of material, or other causes, that he is unable to meet all authorized production schedules, should report the details of this conflict to the appropriate Industry Division so it can furnish directions. (Issued Aug. 28, 1943.)

INTERPRETATION 16—FURNISHING MATERIALS TO SUBCONTRACTORS

(a) Instead of making an allotment of controlled material to a manufacturer of Class A products, a manufacturer operating under the Controlled Materials Plan may use any of the following alternatives with the consent of his supplier:

(1) He may sell the material to his supplier from his own inventory.

(2) He may furnish the material to his supplier on toll or processing agreement, retaining title in himself.

(3) He may place an authorized controlled material order for delivery to himself and trans-ship the material to his supplier, either by sale or under toll or processing agreement.

(4) He may place an authorized controlled material order for delivery direct to the supplier.

(b) In each of the above cases, the customer does not make any allotment, and the supplier does not have to keep any allotment records. The supplier must, however, keep sufficiently accurate records to show that

he is using the material for the purpose for which it was received. The customer furnishing the material includes it in his own requirements in the same way as if he were going to allot it, and he may not furnish it to his supplier except under conditions where he could make an allotment under CMP Regulation No. 1.

(c) The making of allotments by customers to suppliers of Class B products is forbidden by paragraph (g) of CMP Regulation 1, since these allotments are made directly to the Class B producers by the War Production Board and duplicating allotments would make inaccurate the Board's figures as to requirements and supply. For the same reason, a customer may not furnish any controlled material to the producer of a Class B product in any of the ways mentioned in paragraph (a) above without getting special permission from the War Production Board. (Issued Sept. 11, 1943.)

INTERPRETATION 17—COPPER FLAKE POWDER

NOTE: Deleted Feb. 2, 1944. Obsolete.

INTERPRETATION 18—ANALYSIS OF ORDERS BY CLAIMANT AGENCY SYMBOLS—SECTION A OF FORM CMP-4B

(a) A person applying for an allotment on Form CMP-4B is required to show in Section A of the form an analysis of his orders or shipments by Claimant Agency symbols. The applicant must analyze his orders on the basis of the Claimant Agency symbols appearing on his customers' orders. Where no Claimant Agency symbol appears on a customer's order, the order must be reported under "unidentified".

(b) An applicant must not, in any case, attempt to trace the ultimate end-use of his product for the purpose of filling out Section A of Form CMP-4B. For example, if he receives an order with a preference rating bearing the symbol "B-1", he should report this under the symbol "B" even if he knows that that particular order is for a component of a product that eventually will be sold to the Navy. Or, if he receives an order with a preference rating but no Claimant Agency symbol, he should report this under "unidentified", even if he knows that that particular order is for a component of a product that eventually will be sold to the Navy.

(c) A person who receives a rated order must accept and fill it in accordance with Priorities Regulation No. 1 whether it is identified by a Claimant Agency symbol or not. He does not have the right to assume that his customer is required to show a symbol on his order since in many cases it is not necessary to show a Claimant Agency symbol in applying or extending a rating. There is no reason, however, why a person should not inform his customers of the provisions of paragraph (f) of CMP Regulation No. 3 (see Interpretation No. 3 to CMP Regulation No. 3) and paragraph (z) of CMP Regulation No. 6 which require the compulsory use of Claimant Agency symbols for purposes of identification on certain rated orders. (Issued Sept. 14, 1943.)

INTERPRETATION 19—PROPER ALLOTMENT NUMBER MUST BE USED IN IDENTIFYING ORDERS

(a) A manufacturer of a Class B product, in ordering production materials (whether controlled materials, Class A or B products, or other materials and products) needed to make the Class B product, must not use the allotment number appearing on orders placed with him by his customers. This is true because a person may use only the allotment number which appears on the allotment made to him with his authorized production schedule. Thus a manufacturer of a Class B product, such as electric motor controls, receives an allotment of controlled material and a preference rating from the War Production Board which, in the case of electric motor controls, will be identified by the allotment

number J-3. When he orders the production material he needs to make electric motor controls, he will use the symbol J-3 on his orders. Orders for electric motor controls from his customers will bear such allotment symbols as B-4, W-3, G-6, U-1, etc. The electric motor control manufacturer may not use these symbols on his own orders for production materials for the manufacture of electric motor controls.

(b) On the other hand, a manufacturer of a Class A product receives his allotments from his customers and therefore uses the allotment numbers appearing on his customers' orders when he orders materials needed to make the Class A product. Thus, a manufacturer of a Class A product who receives an order from a customer and an allotment identified by the allotment number O-5 will use the allotment number O-5 in placing his orders for production materials needed to fill the order.

(c) An allotment number or symbol alone never constitutes an allotment of controlled materials. In making an allotment a consumer must specify the controlled material and the exact quantity allotted. Attention is called to the fact that under paragraph (f) of CMP Regulation No. 1, allotments of controlled material must be made only in the form and shape in which they are allotted to the consumer. (Issued Oct. 8, 1943.)

INTERPRETATION 20—PROCURING CLAIMANT AGENCIES

(a) The "procuring" Claimant Agencies under the Controlled Materials Plan are:

(1) War Department (including Ordnance).

(2) Navy Department.

(3) Maritime Commission.

(4) Aircraft Resources Control Office.

(5) Office of Lend-Lease Administration.

(b) The other Claimant Agencies are sometimes referred to as "non-procuring" Claimant Agencies. (Issued Oct. 26, 1943.)

INTERPRETATION 21—TEMPORARY LOANS

(a) Paragraph (u) of CMP Regulation No. 1 (§ 3175.1), which places restrictions on the use of controlled materials and Class A products obtained pursuant to an allotment, does not forbid a short term "loan" of controlled materials or Class A products to another manufacturer for his use in filling an authorized production schedule. Whenever a loan is made, the consumer must make certain that the material loaned will be returned to him when he needs it. A loan for more than three months would generally be considered equivalent to a transfer of the materials and therefore unauthorized except as provided in paragraph (u). A consumer must never make such a loan when lending the material would prevent fulfillment of the consumer's authorized production schedule.

(b) A consumer borrowing controlled materials or Class A products does not have to reduce his allotment account under paragraph (v) of the regulation, relating to adjustments on account of controlled materials or Class A products obtained without use of allotments, since the loan is made on a temporary basis and he must be in a position to use his allotment to return, in kind, the material borrowed.

(c) Full records of the loan transaction must be kept by both persons lending and persons borrowing. (Issued Nov. 3, 1943.)

INTERPRETATION 22—REJECTION OF ORDERS

(a) Paragraph (t) (3) of CMP Regulation No. 1 (§ 3175.1) requires a controlled materials producer to reject any order other than an authorized controlled material order, a sample order or an order which he is required or authorized to fill by the War Production Board. This provision does not require a producer to refuse to receive a piece of paper on which an order is written. It does require

the producer to refuse to fill an order or schedule it unless it is an order which he is specifically authorized to fill. The order must be specifically rejected and the producer may either return the paper on which the order is written or file it, as he sees fit. In any case he must let his customer know that he cannot schedule the order and that his customer should not expect delivery against it.

(b) Customers who place with a producer orders which the latter is prohibited from filling cause an unnecessary increase in the volume of paper work. It is therefore suggested that purchasers should refrain from placing unauthorized orders, even if they intend to validate the orders later.

(c) While the placing of a delivery order before an allotment is received is discouraged, it is recognized that in certain cases customers will find it necessary to place orders before they have received their allotments. This may happen, for example, in the case of long-term contracts extending beyond the period for which advance allotments have been made. In such a case, a delivery order may be converted into an authorized controlled material order either by furnishing a copy of the order conforming to the requirements of paragraph (s) of the regulation or by furnishing, in writing, the requisite information clearly identifying the order and bearing the certification required by subparagraph (3) of paragraph (a). Such an order must be treated as an authorized controlled material order as of the date on which the necessary information and certificate (including the allotment number) are received by the producer. (Issued Nov. 10, 1943.)

LIST OF DIRECTIONS 1 THROUGH 46 TO CMP REGULATION No. 1

1. Pursuant to paragraph (t) (6)—Steel Producers—Obsolete.
2. Pursuant to paragraph (t) (6)—Aluminum Producers—Obsolete.
3. Pursuant to paragraph (t)—Copper Wire and Cable Producers—Obsolete.
4. Pursuant to paragraph (t)—Brass Mills—Obsolete.
5. Heat Treated and Normalized Carbon and Alloy Steel Bars for Commercial Warehouse Orders—Obsolete.
6. Rules Governing Certain Deliveries of Steel Between Producers and Others.
7. Pursuant to paragraph (t) (6)—Aluminum Producers—Obsolete.
8. Intra-Company Deliveries of Aluminum.
9. Brass Mill and Wire Mill Direction.
10. Rolled and Forged Armor Plate.
11. Delayed Delivery on April Orders—Obsolete.
12. Water Well Drillers—Revoked January 4, 1944.
13. Complete Bills of Material—Revoked October 9, 1943.
14. Rerating Not Compulsory—Obsolete.
15. Mill Stocks of Steel.
16. Replacement of Defective Controlled Material.
17. Brass Mill Direction—Obsolete.
18. Acceptance of Orders for Steel—Revoked.
19. Tin Plate, Short Terns and Tin Mill Black Plate for Can Manufacturers.
20. BEW and Lend-Lease Orders.
21. Farmers Copper Wire Allotment Certificates.
22. Special Allotments.
23. Acceptance of Orders for Aluminum by Aluminum Producers and the Effect of Delays in Production.
24. Steel Furnished by Fabricators on Construction Projects.
25. Forgings in Controlled Material Form.
26. When Allotments may be Returned by a Secondary Consumer Directly to a Claimant Agency or Industry Division.
27. Right to Specify Allotment Quarter.

28. Controlled Material Lost or Stolen in Transit.
29. OEW and Lend-Lease Orders.
30. Copper Water Tubing—Revoked November 25, 1943.
31. Ammunition Brass Strip, Rod and Tube.
32. Production and Delivery of Less Than Minimum Mill Quantities of Brass Mill Products Ahead of Schedule.
33. Placement and Acceptance of Orders for Small Amounts of Aluminum and Aluminum Alloy Extruded Shapes.
34. Class A Facilities not Related to Construction.
35. Jigs, Dies, Molds, Fixtures and Special Tooling.
36. Cases in Which a Person who has Received an Allotment for the Manufacture of a Class B product may make Allotments or Furnish Controlled Materials to a Manufacturer of the Class B Product.
37. Consolidation of Army Ordnance Programs O-3 and O-6.
38. Galvanized Steel Products in Controlled Material Form.
39. Official Class B Product List.
40. Railroad Frogs and Switches.
41. Allotment Procedure for Manufacturers of Class A Products When Used for Ship Repairs and Bureau of Ships' Special Navy Products, When Used for Ship Repairs.
42. Copper Powder.
43. Elimination of 1943 Orders for Aluminum.
44. Applications by Producers and Distributors for Permission to Sell Rejected or Excess Steel.
45. Scheduling Provisions Applicable to M-233 Products.
46. Change in Program Numbers of the Maritime Commission.

[F. R. Doc. 44-1635; Filed, February 2, 1944; 11:26 a. m.]

PART 3175—REGULATIONS APPLICABLE TO THE CONTROLLED MATERIALS PLAN

[CMP Reg. 1, Interpretation 8 as Amended Feb. 2, 1944]

PERIOD DURING WHICH ALLOTMENT VALID (REVISED)

The following interpretation is issued with respect to CMP Regulation 1:

(a) An allotment of controlled materials under the Controlled Materials Plan is only valid for the quarter (or other specifically designated period) for which it is made as indicated in the allotment certificate. An allotment which is valid for one quarter cannot be used for placing authorized controlled material orders calling for delivery in any other quarter.

(b) A consumer in placing an order for a controlled material must specify the month in which delivery is requested and the requested delivery month must be within the quarter for which the allotment is valid. Controlled materials producers are required to make delivery as close to the requested delivery date as is practicable and are prohibited from accepting authorized controlled material orders in excess of a specified percentage of their production directive or expected production as provided in paragraph (t) (2) (iii) of CMP Regulation No. 1.

(c) If a controlled materials producer is unable to accept an authorized controlled material order for delivery during the delivery month specified, and delivery is required in that month, the consumer may appeal, either directly or through his Claimant Agency or Industry Division, to the appropriate Controlled Materials Division for relief.

(d) The rules governing postponed deliveries of steel or copper are set out in paragraph (t) (4) of the regulation and those governing postponed deliveries of aluminum are covered in Direction No. 23 to the regulation. Rules governing the tentative acceptance of authorized controlled material orders are set out in paragraph (t) (3) of the regulation. The rules on these subjects as stated in paragraphs (c), (e) and (f) of the interpretation before this revision are obsolete.

Issued this 2d day of February, 1944.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 44-1636; Filed, February 2, 1944;
11:26 a. m.]

PART 3175—REGULATIONS APPLICABLE TO
THE CONTROLLED MATERIALS PLAN

[CMP Reg. 5A as Amended Feb. 1, 1944]

MAINTENANCE, REPAIR AND OPERATING SUP-
PLIES FOR GOVERNMENTAL AGENCIES AND
INSTITUTIONS

§ 3175.5a *CMP Regulation 5A—(a) Purpose and scope.* (1) The purpose of this regulation is to provide for governmental agencies and for institutions a uniform procedure for obtaining maintenance, repair and operating supplies, both in the case of controlled materials obtained by use of allotment symbols under the Controlled Materials Plan and in the case of materials or products obtained by preference ratings. Any agency or institution affected by this regulation requiring maintenance, repair and operating supplies, in any form, in such quantities as are available from warehouses or distributors under CMP Regulation No. 4 or at retail without preference ratings or allotments, may obtain the same without using the procedure provided in this regulation, but subject to all applicable limitations in War Production Board regulations and orders.

(2) The provisions of this regulation shall not apply to any governmental agency or to any institution to the extent that it is engaged in the following services or industries: gas, light, power, water, central heating, or the operation of a sanitary sewerage system or a storm sewerage system combined with a sanitary sewerage system for general use by the public, or to communications (in so far only as communications are provided for in Orders U-3 and U-4).

(3) *Governmental agencies and institutions in the Dominion of Canada.* The provisions of this regulation shall be available to those governmental agencies and institutions in the Dominion of Canada which may on application by the Department of Munitions and Supply, Ottawa, Canada, be authorized by the War Production Board to operate under it subject to such conditions as may be set out in the authorization. Any such agency or institution in Canada receiving such authority shall use the following certification instead of any certification prescribed in this regulation, and shall

not use the alternative form of certification prescribed in CMP Regulation No. 7:

The undersigned purchaser certifies, subject to the penalties of section 15 of the Canadian Wartime Industries Control Board Regulations, to the seller, to the Canadian Priorities Officer, and to the War Production Board, that, to the best of his knowledge and belief, the undersigned is authorized, under applicable Canadian orders, and under applicable War Production Board regulations or orders, to place this delivery order, to receive the item(s) ordered for the purpose for which ordered, and to use any preference rating or allotment number or symbol which the undersigned has placed on this order.

(4) The provisions of this regulation shall not apply to Claimant Agencies as defined in CMP Regulation No. 1, except to such extent as may be specifically provided by order of the War Production Board. Any Claimant Agency which desires that this regulation be made applicable to any of its departments or activities may make application therefor by letter in triplicate addressed to the Government Division, War Production Board, Washington, D. C., Ref: CMP Regulation 5A.

(b) *Definitions.* The following definitions shall apply for the purpose of this regulation.

(1) "Governmental agency" means any governmental agency in the United States, its territories or possessions, federal, state, county, municipal or local except any agency specifically excluded from this regulation by order of the War Production Board. The term also includes any governmental agency in the Dominion of Canada which has been authorized to operate under this regulation pursuant to the provisions of paragraph (a) (3) hereof.

(2) "Institution" means any institution within the United States, its territories or possessions, public or private, including but not limited to, schools, colleges, libraries, hospitals, welfare establishments and churches, and also includes any institution in the Dominion of Canada which has been authorized to operate under this regulation pursuant to the provisions of paragraph (a) (3) hereof.

(3) "Educational institution" (see Schedule II) means, (i) any elementary or secondary school, and any college or university maintained and operated by any state or any political subdivision thereof, including school districts and cities, or by any agency of the Federal Government, its territories or possessions, or the District of Columbia;

(ii) Any other school, college or university which offers a curriculum substantially the same as that offered by a school, college or university maintained and operated by any state or any political subdivision thereof or the District of Columbia;

(iii) Any school, college, or university which is conducting one or more of the following programs as established and supervised by the United States Office of Education:

(a) Vocational Education for War Production Workers;

(b) Engineering, Science and Management War Training,

(c) Rural War Production Training;

(iv) Any school, college or university, which pursuant to letter of intent from, or contract with, the Army or Navy of the United States is engaged in housing, feeding or training any unit of military personnel;

(v) Any school, college or university which is specifically authorized by the War Production Board to operate under this regulation as an educational institution. Application for such authorization shall be by letter in triplicate stating the relevant facts addressed to the Government Division, War Production Board, Washington, D. C., Ref: CMP Regulation 5A.

(4) "Maintenance" means the minimum upkeep necessary to continue a facility in sound working condition, and "repair" means the restoration of a facility to sound working condition when the same has been rendered unsafe or unfit for service by wear and tear, damage, failure of parts or the like: *Provided*, That neither maintenance nor repair shall include the improvement of any plant, facility or equipment, by replacing material which is still usable, with material of a better kind, quality or design, except as provided in paragraph (b) (6) of this regulation.

(5) "Operating supplies" means any material or product which (i) is essential for conducting any activity or rendering any service by any governmental agency or by any institution and (ii) is consumed in the course of conducting such activity or rendering such service and (iii) does not constitute capital equipment. Materials included in any finished product produced by a governmental agency or an institution which are normally chargeable to operating expense may also be treated as operating supplies.

(6) Minor capital additions may be obtained under the procedures provided for in this regulation for obtaining maintenance, repair and operating supplies where the cost of the minor capital addition does not exceed \$100 (excluding the purchaser's cost of labor) for any one complete capital addition. The term "one complete capital addition" includes a group of items customarily purchased together and all items which would normally be purchased as part of a single project or plan. No capital addition shall be subdivided for the purpose of coming within this paragraph, and where the capital addition involves construction, authorization to construct must be obtained to the extent required by Conservation Order L-41 or by any other applicable order or regulation of the War Production Board.

(7) Production material required by a governmental agency or an institution for physical incorporation in products manufactured by it, which products it sells for use as maintenance, repair or operating supplies, may be obtained as provided in CMP Regulation No. 1 and in CMP Regulation No. 3, and such production materials shall not be deemed

maintenance repair or operating supplies, as to such agency or institution.

(c) *Controlled materials*—(1) *Steel and copper*. Subject to the quantity restrictions contained in paragraph (f) of this regulation, any governmental agency or any institution engaged in any activity or rendering any service listed in Schedule I or Schedule II attached to this regulation, requiring delivery after March 31, 1943, of any controlled material (as defined in CMP Regulation No. 1) except aluminum, for maintenance, repair or operating supplies in the conduct of such activity or service, may obtain the same by placing on or accompanying its delivery order with substantially the following certificate (or the alternative form of certification provided in CMP Regulation No. 7) signed manually or as provided in Priorities Regulation No. 7:

CMP allotment symbol MRO 5A—The undersigned certifies, subject to the criminal penalties for misrepresentation contained in section 35 (A) of the United States Criminal Code, that the controlled materials covered by this order are required for essential maintenance, repair or operating supplies, to be used for a purpose listed in Schedule I or Schedule II of CMP Regulation No. 5A and that delivery thereof will not result in a violation of the quantity restrictions contained in paragraph (f) of said regulation.

An order bearing such certification shall constitute an authorized controlled material order.

(2) *Aluminum*. Any governmental agency or any institution engaged in any activity, or rendering any service listed in Schedule I or II, requiring aluminum in any of the forms or shapes constituting a controlled material, for essential maintenance, repair or operating supplies, where the use of other materials for the purpose is impracticable, may obtain the same from a controlled materials producer or from a distributor specifically authorized by the War Production Board to engage in the business of receiving aluminum for sale or resale, in an amount of not to exceed 500 pounds from all sources during any one calendar quarter: *Provided*, That any order placed pursuant to this paragraph (c) (2) shall be endorsed with or accompanied by substantially the following certificate (or the alternative form of certification provided in CMP Regulation No. 7) signed manually or as provided in Priorities Regulation No. 7:

CMP allotment symbol MRO-5A—The undersigned certifies, subject to the criminal penalties for misrepresentation contained in section 35 (A) of the United States Criminal Code, that the materials covered by this order are required for essential maintenance, repair or operating supplies to be used for a purpose listed in Schedule I or Schedule II of CMP Regulation No. 5A; that the use of other materials for such purpose is impracticable; and that the amount of aluminum covered by this order, together with all other amounts received by, or on order for delivery to, the undersigned, from all sources, for such purpose during the same quarter, will not exceed 500 pounds.

Any producer or warehouse receiving an order bearing such certificate shall be entitled to rely thereon and may fill the order, unless he knows or has reason to

believe the certificate to be false. An order bearing such certification shall constitute an authorized controlled material order.

(3) Any governmental agency or any institution engaged in any activity or rendering any service listed on Schedule I or II, which needs aluminum in any of the forms or shapes constituting a controlled material in amounts aggregating more than 500 pounds from all sources during any one calendar quarter for use as essential maintenance, repair or operating supplies where the use of other material for such purpose is impracticable, may apply for an allotment of the amount thereof in excess of 100 pounds during any one calendar quarter by letter addressed to the Aluminum and Magnesium Division, War Production Board, Washington 25, D. C., Ref: MRO. The letter should contain substantially the information called for by paragraphs (d) (1) to (6) of Supplementary Order M-1-i, as amended March 10, 1943. If the application is granted, the applicant will receive an allotment number or symbol, and may place an authorized controlled material order by endorsing an order with such allotment number or symbol and the certification prescribed in paragraph (s) (3) of CMP Regulation No. 1 or in CMP Regulation No. 7, executed as provided in such regulations.

(d) *Preference ratings for maintenance, repair and operating supplies*.

(1) Subject to the quantity restrictions contained in paragraph (f) of this regulation, orders by any governmental agency or institution calling for delivery after March 31, 1943, of maintenance, repair or operating supplies other than controlled materials (regardless of whether such supplies be Class A products, Class B products, or other products or materials) are hereby assigned preference ratings as follows:

(i) AA-1 for maintenance or repair of facilities required for any activity or service listed in Schedule I or for necessary operating supplies for such activity or service;

(ii) AA-2 for maintenance or repair of facilities required for any activity or service listed in Schedule II or for necessary operating supplies for such activity or service;

(iii) AA-5 for necessary maintenance or repair of facilities required for any activity or service not listed in Schedule I or Schedule II or for necessary operating supplies for any such purpose.

(iv) For maintenance, repair and operating supplies for any building devoted primarily to any service or activity listed in Schedule I or Schedule II, the rating assigned to that service is hereby assigned.

(2) Any agency or any institution which maintains a central stores system where it is impracticable to charge purchases for inventory against a particular service or activity, may establish a scale of percentages for each rating, for each class of items, based upon withdrawals from the central stores system during the calendar year 1942 (or its fiscal year ending nearest to December 31, 1942) by the various agencies and institutions (and

departments thereof) and may apply the appropriate percentage of each rating to its purchases for the central stores system. In the alternative, any such agency or institution may apply to the War Production Board, pursuant to the provisions of paragraph (k) for the assignment of ratings for such stores system.

(3) A preference rating assigned under this paragraph (d) shall be applied only by use of the following certification (or the alternative form of certification provided in CMP Regulation No. 7) signed manually or as provided in Priorities Regulation No. 7:

Preference rating ----- (specify rating): MRO 5A. The undersigned certifies, subject to the criminal penalties for misrepresentation contained in section 35 (A) of the United States Criminal Code, that the items covered by this order are required for essential maintenance, repair or operating supplies; that this order is rated and placed in compliance with CMP Regulation No. 5A and that the delivery requested will not result in a violation of the quantity restrictions contained in paragraph (f) of said regulation.

(4) A person with whom a delivery order is placed bearing a preference rating assigned by this regulation may, subject to the limitations contained in CMP Regulations Nos. 1 and 2, extend the rating in the manner provided in CMP Regulation No. 3 (using the endorsement therein specified or the alternative form of certification provided in CMP Regulation No. 7).

(e) *Departments engaged in several activities*. If any governmental agency or any institution, or any department or unit thereof, is engaged in several activities which are not assigned the same preference rating and if it is impracticable to apportion maintenance, repair and operating supplies between such activities, the principal activity alone shall be considered for the purpose of determining whether controlled materials may be obtained under paragraph (c) of this regulation, and also for determining which preference ratings may be applied under paragraph (d).

(f) *Quantity restrictions*. (1) No governmental agency and no institution which uses the allotment symbol or preference ratings assigned by this regulation to obtain any maintenance, repair and operating supplies shall order for delivery during any calendar quarter maintenance, repair or operating supplies in an aggregate amount exceeding 30 percent of its aggregate expenditures for maintenance, repair and operating supplies during the calendar year 1942 (or its fiscal year ending nearest to December 31, 1942), except that any governmental agency or any institution engaged in an activity which normally requires a greater amount of maintenance, repair or operating supplies during certain seasons than others may use such allotment symbol or preference ratings to order for delivery during any calendar quarter up to, but not in excess of, its aggregate expenditures for maintenance, repair and operating supplies during the corresponding quarter of 1942 (or of such fiscal year). In neither case, however, shall any governmental agency or any

institution use such allotment symbol or preference ratings to obtain maintenance, repair and operating supplies during the 12 months ending March 31, 1944, in an amount exceeding its aggregate expenditures for maintenance, repair and operating supplies during the calendar year 1942 (or such fiscal year). In determining the dollar amount of expenditures for maintenance, repair and operating supplies permitted under this paragraph (f) there shall be included not only expenditures for supplies obtained by use of the allotment symbol or preference ratings hereby assigned, but also expenditures for supplies which are obtained without the use of such symbol or ratings plus amounts expended in acquiring minor capital additions under paragraph (b) (6) of this regulation. Expenditures during the base period shall be computed in the same way except that amounts expended in acquiring minor capital additions during the base period shall not be included.

(2) A governmental agency or institution which has several departments, branches or units which maintain separate records of maintenance, repair and operating supplies, shall treat each of them separately for purposes of complying with the provisions of subparagraph (1) of this paragraph (f).

(3) In the case of a governmental agency or an institution or any department thereof which was not in operation during the base period specified in subparagraph (1) of this paragraph (f), such agency, institution or department may take, as a base, its expenditures for maintenance, repair and operating supplies during the first quarter of 1943, or during the portion thereof when such agency, institution or department was in operation, reasonably adjusted for seasonal or other variable factors: *Provided*, That it first notifies the War Production Board in writing of the base which it is taking, the reasons therefor, and the nature of any adjustments made. In the case of a governmental agency, or institution or department thereof starting operations after February 28, 1943, maintenance, repair and operating supplies may be acquired pursuant to this regulation in the minimum amounts necessary for operation, without other restrictions, up to \$500 per quarter. If more than this amount is required, application shall be made to the War Production Board for a specific quota. In any case where the base provided in subparagraph (1) or by this subparagraph (3) is deemed too low for necessary operations, application may be made for modification thereof by filing a letter in triplicate with the Government Division, War Production Board, Washington 25, D. C., stating the relevant facts.

(4) The restrictions contained in this paragraph (f) shall apply in addition to any quantitative restrictions contained in any order in the "P" series, unless the particular P order expressly provides that the restrictions of this regulation shall be inapplicable.

(5) The quantity restrictions in this paragraph (f) shall not apply to any governmental agency or any institution

which during the calendar year 1942 (or fiscal year ending closest to December 31, 1942) used for maintenance, repair and operating supplies, materials of the aggregate value of not exceeding \$1,000 and whose estimated requirements for material to be used for maintenance, repair and operating supplies during any calendar year (or corresponding fiscal year) does not exceed \$1,000 provided that a practical working minimum inventory is not exceeded. If the actual requirements for maintenance and repair and operating supplies for such year should prove to be in excess of \$1,000 such agency or institution shall not, during such year, accept any deliveries of material to be used for maintenance, repair or operating supplies if such deliveries when taken together with other deliveries within such year would in the aggregate exceed \$1,000. In such case such agency or institution may apply for a specific quota pursuant to the provisions of paragraph (k) of this order.

(6) The War Production Board may, by further regulations or orders, require specified persons or classes of persons, to file applications or reports regarding their requirements of maintenance, repair and operating supplies and may prescribe specific quantitative limits for the same either larger or smaller than the limits provided in this paragraph (f).

(g) *Form WPB-837 (PD-408) discontinued.* Form WPB-837 (PD-408) has been discontinued as of September 30, 1943. Orders placed before that date to which the ratings or MRO symbol assigned on that form were applied may nevertheless be filled.

(h) *Special provisions relating to use of MRO symbol and preference ratings.*

(1) Any person (such as the operator of a toll bridge or a contract garbage collector) who, pursuant to franchise from, or contract with, any governmental agency, performs any service for such agency may use the same allotment symbol and preference rating to obtain maintenance, repair and operating supplies required for such service, which such governmental agency would be entitled to use if it performed such service itself. In computing quantity restrictions under paragraph (f) hereof such service shall be treated as if it were performed by a single department of such governmental agency.

(2) Any person (such as a service repair shop) engaged in the business of doing maintenance or repair work for any governmental agency or any institution may use the same allotment symbol and preference rating to obtain materials needed in the performance of the work which such governmental agency or institution would be entitled to use if it did the work itself. The cost of materials used in the performance of maintenance or repair work shall be treated as expenditures of such agency or institution for the purpose of computing its quantity restrictions under paragraph (f). A person engaged in such business may, instead, request an allotment of controlled materials and a preference rating by applying to the War Production Board, on Form CMP 4-B,

but if he does so he must use that method exclusively and may not use such customer's rating or symbol.

(3) Any governmental agency or any institution or any department, branch or unit thereof which is engaged in producing any product or conducting any business listed in Schedule I or Schedule II of CMP Regulation No. 5 may, to the extent, but only to the extent, that it is so engaged use the applicable rating assigned by CMP Regulation No. 5 and the symbol MRO-5A to obtain maintenance, repair and operating supplies required in conducting such business, but in so doing such agency or institution shall be deemed to operate under this regulation and shall be subject to all of the terms and provisions hereof.

(4) When any building is leased to a governmental agency or institution the landlord may use the same allotment symbol and preference rating to obtain maintenance, repair and operating supplies required for such building, which such governmental agency or institution would be entitled to use if it owned and maintained such building itself; but if the building is occupied by several tenants and the supplies are not for the benefit of a single tenant, the landlord may use a tenants' rating and symbol only if 75 per cent or more of the leased property is used in activities or services on Schedule I or II of this regulation, and in such case, unless all of such activities and services are listed in Schedule I, only the AA-2 rating may be used. In computing quantity restrictions under paragraph (f) hereof, such building shall be treated as if it were maintained by a single department of a governmental agency or institution.

(i) *Penalties for misrepresentation or diversion.* (1) The placing of any order bearing a certification or symbol as provided by this regulation shall constitute a representation, subject to the criminal penalties of section 35 (A) of the United States Criminal Code (18 U. S. C. 80), that the person placing the order is entitled, under the terms of this regulation to the use of the symbol or preference rating indicated thereon.

(2) No person shall use for any purpose other than essential maintenance, repair or operations, any supplies obtained pursuant to this regulation, or use any supplies obtained under a preference rating assigned by this regulation for a purpose to which a lower rating, or no rating, is assigned. Any such use shall constitute a crime punishable by fine or imprisonment or both. Physical segregation of inventories is not required, provided the restrictions applicable to any specific lot of material or product are observed with respect to an equivalent amount of the same material or product.

(j) *Inventory restrictions.* Nothing in this regulation shall be deemed to authorize any governmental agency or any institution to receive any delivery of maintenance, repair or operating supplies if acceptance thereof would increase its inventory above a practicable working minimum as provided in § 944.14 of Priorities Regulation No. 1, or would

exceed the inventory limitations prescribed for such person by CMP Regulation No. 2 or by any other applicable regulation or order of the War Production Board.

(k) *Additional assistance in individual cases.* Any governmental agency or any institution requiring maintenance, repair or operating supplies which is unable to obtain them with the rating assigned to it by this regulation, and any such agency or institution requiring any controlled material, except aluminum, for maintenance, repair or operating supplies which is not listed in Schedule I or II and which is unable to obtain it from a warehouse or distributor under CMP Regulation No. 4 may apply to the War Production Board on Form PD-1A for a higher rating, or the right to use the MRO symbol to obtain controlled materials, other than aluminum. Such form shall bear a notation to the effect that the material applied for is required for maintenance, repair or operating supplies and that applicant is operating under CMP Regulation 5A. Application for an increase in the quantity of expenditures for maintenance, repair and operating supplies permitted by paragraph (f) of this regulation, shall, however, be made by filing a letter in triplicate with the Government Division, War Production Board, Washington, D. C., Ref: CMP Regulation 5A, stating the relevant facts.

(l) *Effect on other orders and procedures.* (1) The preference ratings assigned by this regulation shall supersede the preference ratings assigned by all orders in the "P" series for maintenance, repair and operating supplies with respect to materials or products to be delivered after March 31, 1943, except as may be otherwise provided by amendments of such orders specifically providing to the contrary.

(2) Subject to paragraph (1) (1) of this regulation, all of the terms, provisions and restrictions contained in all orders in the "P" series, including definitions, requirements for making applications and filing reports and other restrictions, except as otherwise provided in paragraph (f) (4) of this regulation shall, subject to the inventory restrictions of CMP Regulation No. 2, remain in full force and effect until modified or revoked, except that this regulation shall be wholly inapplicable to any activity or service covered by any "P" order if such "P" order specifically so provides.

(3) In addition, each governmental agency or institution which, in accordance with existing priorities procedures not covered by "P" orders, is required to file applications or reports with respect to its requirements for, or use of, maintenance, repair or operating supplies, or is limited in the amount of such supplies, which it is permitted to acquire or use, shall continue to comply with such procedures until the same are modified or revoked.

(4) When an order in the "E," "L" or "M" series assigns a specific preference rating to deliveries of any particular material to be used by a particular industry or for a specific purpose, such preference rating shall control and the preference ratings hereby assigned may not be ap-

plied. For example, Order M-41 assigns a rating of A-10 to deliveries of chlorinated hydrocarbon solvents for use in the fumigation of stored products, including grain. A person who needs a chlorinated hydrocarbon solvent for such purpose may apply a rating of A-10 to its delivery and must not apply a rating assigned by this regulation.

(5) Nothing in this regulation shall be construed to relieve any governmental agency or institution from complying with any applicable priorities regulation or order of the War Production Board (including orders in the "E," "L" and "M" series) or with any order of any other competent authority.

(m) *Reclassification of activities.* Any governmental agency or any institution which is of the opinion that any activity in which it is engaged should be listed in Schedule I, if it is listed in Schedule II, or should be listed in either Schedule I or Schedule II, if it is not listed in either of such schedules, may apply to have such activity so listed by filing a letter, in triplicate, with the Government Division, War Production Board, Washington 25, D. C., Ref: CMP Regulation 5A setting forth the relevant facts and the reasons why it considers such request should be granted. The War Production Board may cause such activity to be listed in one of the schedules attached to this regulation or, in special cases, may permit the applicant to operate under this regulation to the same extent as though its activity were included in one of such schedules.

(n) *Records.* Each governmental agency and institution or other person acquiring maintenance, repair or operating supplies pursuant to this regulation, shall keep and preserve for a period of not less than two years, accurate and complete records of all such supplies so acquired, and used, which shall, upon request, be submitted to audit and inspection by duly authorized representatives of the War Production Board.

(o) *Communications.* All communications concerning this regulation should be addressed to: Government Division, War Production Board, Washington 25, D. C., Ref: CMP Regulation No. 5A.

(p) *Restrictions on use of ratings.* The preference ratings assigned by this regulation shall not be used to get any of the items shown on List A or B of Priorities Regulation No. 3.

Issued this 1st day of February 1944.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

SCHEDULE I—PREFERENCE RATING AA-1

Hospitals.
Refuse and garbage collection and disposal.
Communicable disease control.
Alcan, Richardson, Steese, Glenn, Pan-American and Trans-Isthmian Highways.
Public transportation facilities.
Docks, wharves and terminals.
Police and law enforcement agencies.
Anti-espionage and anti-cabotage activities—Federal agencies only.
Fire protection.
Beacons, markers, and radio devices employed as aids to navigation.
U. S. Post Office Department.

SCHEDULE II—PREFERENCE RATING AA-2

Public streets, highways and roads.
Airports and flight strips.
Dams, levees and revetments.
Drainage and irrigation.
Canals—waterways.
Flood control facilities.
Farm labor camps operated as a part of the War Food Administration's migratory labor program.

Mineral resources: exploration for (governmental agencies only).

Storm sewers.
Street lighting, by governmental agencies which are not engaged in the business of furnishing electric power for use by the public, except in cases where equipment is maintained by a utility company.

Supplying gas, water, electric power, or central steam heating, by a governmental agency, when such service is for its own use exclusively.

Public dispensaries, clinics and health stations, governmentally-owned or operated not for profit.

Penal institutions and prisons including prison industries.

Mine safety.
Printing and publishing.
United States Mint.

United States Bureau of Printing and Engraving.

Processing, warehousing, distribution, preparation, serving and inspection of food by Governmental agencies only.

Over-all administration including staff services, such as fiscal, procurement, personnel, etc., by Governmental agencies only.

Repairs made necessary by reason of any breakdown of plumbing, heating, electrical wiring or equipment, or elevator service in any building or to provide against imminent breakdown of any such facilities by Governmental agencies only.

Publicly-owned buildings which are used for governmental activities.

Educational institutions.

[F. R. Doc. 44-1634; Filed, February 2, 1944; 11:25 a. m.]

PART 3286—MISCELLANEOUS MINERALS

[Conservation Order M-78, Revocation]

MERCURY

Section 3286.11 *Conservation Order M-78* is revoked. This revocation does not affect any liabilities incurred under the order. The delivery and use of mercury remain subject to all other applicable regulations and orders of the War Production Board.

Issued this 2d day of February 1944.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 44-1633; Filed, February 2, 1944; 11:25 a. m.]

Subchapter D—Office of Rubber Director

PART 4600—RUBBER, SYNTHETIC RUBBER, BALATA AND PRODUCTS THEREOF

[Rubber Order R-1, Appendix III as Amended Feb. 1, 1944]

Introductory. Appendix III to Rubber Order R-1 as amended is a compilation of supplementary orders and directives of general applicability which affect rubber and rubber products. In the past, these orders and directives have involved

principally the conversion of products from crude rubber to synthetics and have been issued individually to the manufacturers of the particular products. The purpose of Appendix III is to issue these directives and miscellaneous supplementary orders in printed form.

The material in Appendix III is arranged in accordance with the following product classifications:

Mechanical goods: Wire and cable; Tires and tubes; Footwear; Heels and soles; Proofing and combining of fabrics; Medical, surgical, dental, drug sundries; and Miscellaneous.

Each of these product classifications has been assigned a section number commencing with § 4600.51. Supplementary orders and directives in each group are designated by letter.

§ 4600.50 *Applicability of Rubber Order R-1.* Supplementary orders and directives which appear in Appendix III shall govern in case of inconsistency with other provisions of Rubber Order R-1. These orders and directives may be incorporated in the Rubber Order from time to time, at the discretion of the War Production Board.

§ 4600.51 *Mechanical goods.* The following supplementary orders and directives are applicable to mechanical goods:

(a) *Vibration mount and shock absorber.* No crude rubber or natural latex may be consumed in the manufacture of compression type mountings or insulations of Shore Durometer hardness of 40 and above. Crude rubber may, however, be used for bonding cements and for use in tie-gum compounds which shall not exceed $\frac{1}{32}$ " in thickness.

No crude rubber or natural latex may be consumed after March 1, 1944, in the manufacture of compression types of mountings or insulators having a Shore Durometer hardness of less than 40. Crude rubber may, however, be used for bonding cements and for use in tie-gum compounds which shall not exceed $\frac{1}{32}$ " in thickness.

No crude rubber or natural latex may be consumed after March 1, 1944, in the manufacture of plate, sandwich, tubular, or other types of shear mountings or insulations. This restriction covers mountings or insulations where the temperatures of applications are minus 40° F. and above. Aircraft engine and instrument mounts may be considered as falling in the applications functioning below minus 40° F. Crude rubber may be used for bonding cements and tie-gum compounds which shall not exceed $\frac{1}{32}$ " in thickness.

Torsional vibration dampers may be manufactured from crude rubber until further notice.

(b) [Deleted Jan. 12, 1944]

(c) *Pipe rings.* After February 1, 1944, no crude rubber or natural latex may be consumed in the manufacture of pipe rings.

(d) *Milking machine inflations.* After February 1, 1944, no crude rubber or natural latex may be consumed in the manufacture of milking machine inflations.

(e) [Deleted Jan. 12, 1944]

(f) *Street car sandwich wheels.* After February 1, 1944, no crude rubber may be

consumed in the manufacture of street car sandwich wheels.

§ 4600.52 *Wire and cable.* The following supplementary orders and directives are applicable to wire and cable:

(a) [Deleted Jan. 12, 1944]

(b) [Deleted Jan. 12, 1944]

(c) [Deleted Jan. 12, 1944]

(d) *X-ray cable.* After February 1, 1944, no crude rubber or natural latex may be consumed in the manufacture of X-ray cable, high voltage, as shown in List 27, Appendix II, under "Commercial Types".

(e) *Long range field wire.* After February 1, 1944, no crude rubber or natural latex may be consumed in the manufacture of W-143 long range field wire.

§ 4600.53 *Tires and tubes.* The following supplementary orders and directives are applicable to tires and tubes:

(a) *Fighter type and ice grip airplane tires.* Rubber Order R-1, List 29, requires that all airplane tires (except beaching gear tires) be manufactured in the S-5 or S-7 synthetic construction. These provisions shall not apply to fighter type and ice grip airplane tires. All fighter type and ice grip airplane tires shall be manufactured using natural rubber compounds throughout the tire until further notice; the compound grades to be used shall be B friction and B tread on all sizes except the following which shall be A friction and A tread.

Size	Ply	Type
47.....	12	Smooth contour landing.
51.....	14	Do.
56.....	16	Do.
65.....	18	Do.
65.....	22	Do.
44 x 12.....	14	High pressure special duty.
46 x 13.....	16	Do.
17.00 x 20.....	12	Low pressure landing.
19.00 x 23.....	16	Do.

(b) *Latex treatment on tire cord fabric.* Rubber Order R-1, List 24, subdivision (a) (1), requires that, when latex is used in the treatment solution for tire cord fabric, the latex used shall not exceed four percent of the dry weight of tire cord treated in any given period. This restriction shall not become mandatory until February 1, 1944.

(c) *Synthetic combat tires.* Rubber Order R-1, List 24, subdivision (b) (3), in the "Special Purpose Tire" table, lists two sizes of S-3-combat tires and four sizes of S-6 combat tires. These tires had previously been permitted in the S-5 synthetic construction. This conversion from the S-5 synthetic construction to the S-3 or S-6 synthetic construction shall not become mandatory until February 1, 1944.

(d) *Industrial pneumatic single tube tires.* Rubber Order R-1, List 24, subdivision (b) (3), no longer lists industrial pneumatic single tube tires in the EF compound. The manufacturer of industrial pneumatic single tube tires is therefore permitted only in the S-3 synthetic construction according to the regulations shown in List 24, subdivision (b) (1). However, this conversion from the EF construction to the S-3 synthetic

construction shall not become mandatory until February 1, 1944.

(e) *Reduced crude rubber content in tire tubes.* Rubber Order R-1, List 25, subdivision (b) (2), in the "Civilian Order Tubes" table, shows a reduction in the maximum content crude rubber for LT-15, LT-18, LT-20, LT-22 and LT-24 tubes. This reduction in crude rubber content shall not become mandatory until February 1, 1944.

§ 4600.54 *Footwear.* All outstanding supplementary orders and directives relating to footwear have been superseded by Rubber Order R-1 as amended.

§ 4600.55 *Heels and soles.* All outstanding supplementary orders and directives relating to heels and soles have been superseded by Rubber Order R-1 as amended.

§ 4600.56 *Proofing and combining of fabrics.* All outstanding supplementary orders and directives relating to proofing and combining of fabrics have been superseded by Rubber Order R-1 as amended.

§ 4600.57 *Medical, surgical, dental, drug sundries.* All outstanding supplementary orders and directives relating to medical, surgical, dental and drug sundries have been superseded by Rubber Order R-1 as amended.

§ 4600.58 *Miscellaneous.* The following supplementary orders and directives are applicable to miscellaneous rubber products or materials:

(a) *Pressure sensitive tape.* Rubber Order R-1 permits the consumption of general purpose synthetics, reclaimed or scrap rubber in the manufacture of pressure sensitive tape for industrial purposes to fill Government and civilian orders. Schedule A of the order requires certification by the purchaser as to his end use.

(1) Uses which are classified as "industrial" are set forth in the certification.

(2) *Certification.* With respect to civilian orders no person shall deliver or accept delivery of pressure sensitive tape (except high heat resistant and non-corrosive electric tape) unless the person acquiring the same shall certify to the seller and to the War Production Board in substantially the following form signed by an authorized official either manually or as provided in Priorities Regulation No. 7.

The undersigned hereby certifies to.....
 (Insert name of seller) and to the War Production Board that the pressure sensitive tape specified in the accompanying purchase order and future purchase orders will not be sold or used by him except for one or more of the following purposes:

1. Repair of transportation facilities.
2. Maintenance and manufacture of industrial and mining equipment.
3. The manufacture of the following products and parts thereof:

- (a) Aircraft.
- (b) Armored tanks.
- (c) Ships.
- (d) Army transport vehicles.
- (e) Guns.
- (f) Small arms.
- (g) Signalling devices.
- (h) Precision instruments.
- (i) Munitions.

- (j) Electrical equipment.
 (k) Machine tools.
 (l) Vehicles for common carriers and related transportation facilities.
 4. Splicing cotton jacketed cellulose gas-kets for sealing drums and paint pails.
 5. Production and shipping of photographic and motion picture film and X-ray film.
 6. Sealing containers used to maintain sterility or vacuum in the manufacture of medicine and drugs; industrial and wholesale packaging of drugs and chemicals.

Name.....
 By.....
 Address.....
 City.....

Date.....

The foregoing certification requirement does not apply to Government orders.

Certification in substantially the above form constitutes the approved form of certification required for deliveries of pressure sensitive tape.

The foregoing certification shall not be required for deliveries of pressure sensitive tape to a person who has already filed the certification with his supplier.

Certification of the purchaser may be relied upon by the seller unless the seller knows or has reason to believe that the certification is false.

(b) *Inflatable or pneumatic mattresses, cushions and pillows.* Rubber Order R-1 as amended does not permit the consumption of rubber or synthetic rubber in the manufacture of inflatable or pneumatic mattresses, cushions or pillows, to fill civilian orders.

In addition, the consumption of rubber or synthetic rubber in the manufacture of the foregoing products to fill Government orders is hereby prohibited except upon special authorization in writing by the War Production Board. (This supersedes SA-142.)

(c) *Shoe cements.* Notwithstanding the provisions of any quota directive 4-A or 4-B, no crude rubber or natural latex shall be consumed in the manufacture of shoe cements after December 31, 1943 without special authorization.

In order to receive adjustments of quota directives for this purpose, manufacturers should address a letter to the Manager of Allocations, Office of Rubber Director, Washington 25, D. C.

In this connection, it should be noted that Rubber Order R-1 as amended permits shoe cements containing crude rubber or natural latex only for shoe repairing.

(d) *Shoe cement inventories in hands of shoe manufacturers on January 1, 1944.* Shoe manufacturers who hold inventories of shoe cements which contain crude rubber or natural latex on January 1, 1944 are hereby authorized to use the same for the following permitted shoe manufacturing operations until April 1, 1944:

(1) Cutting and fitting room operations limited to: Folding uppers including French cord binding.

(2) Lasting room operations limited to: Bed, side and semi-automatic toe lasting; stitchdown construction lasting linings to insoles and uppers to midsoles or outsoles.

(3) Bottoming or making room operations limited to: Sole laying as follows—cementing bottoms and outsoles or outsole midsole combinations prior to permanent attachment; prewelt bottom assembly and permanent attachment of platforms and outsoles; McKay outsole channels.

(4) Stock fitting room operations limited to: Cementing welt insole ribs and lips; coating and attaching gum duck to welt innersoles.

(5) Special operations limited to: Joining leather welting.

Shoe manufacturers are hereby granted permission to purchase and sell such cements for use in the foregoing operations prior to April 1, 1944.

Inventories of shoe cements containing crude rubber or natural latex which remain in the hands of any shoe manufacturer on April 1, 1944 shall be reported to the Office of Rubber Director, War Production Board, by letter indicating the amounts of cement by type of operation.

(e) *Cements containing Neoprene for wood heels.* After February 1, 1944, no person shall deliver or accept delivery of cement containing Neoprene if he knows or has reason to believe that it will be used for covering wood heels. After February 15, 1944, no person shall use any cement containing Neoprene for the covering of wood heels except to fill Government orders.

(f) *Definition of light colored carcass scrap.* Rubber Order R-1 as amended refers to No. 1 and No. 2 light colored carcass. For the purposes of the order, No. 1 light colored carcass means all-white zinc carcass, and No. 2 light colored carcass means and includes light colored types such as white, pink, light grey, pure gum and light brown carcass.

(g) *Neoprene quota restrictions.* No person shall consume General Purpose Synthetic Neoprene types GR-M, GN or Latex without a quota assigned by quota directive or other authorization specifying the amounts which he may consume, and no person shall exceed the quantities which he is specifically authorized to consume in any designated period.

NOTE: The reporting requirements of this order have been approved by the Bureau of the Budget pursuant to the Federal Reports Act of 1942.

(Sec. 2 (a), 54 Stat. 676, as amended by 55 Stat. 236 and 56 Stat. 176; E.O. 9024, 7 F.R. 329; E.O. 9125, 7 F.R. 2719; W.P.B. Reg. 1 as amended March 24, 1943, 8 F.R. 3666; Pri. Reg. 1 as amended May 15, 1943, 8 F.R. 6727)

Issued this 1st day of February 1944.

RUBBER DIRECTOR,
 WAR PRODUCTION BOARD,
 By J. JOSEPH WHELAN,
 Recording Secretary.

[F. R. Doc. 44-1696; Filed, February 1, 1944; 11:31 a. m.]

Chapter XI—Office of Price Administration

PART 1499—COMMODITIES AND SERVICES

[GMPR; Incl. Amdt. 69]

GENERAL PROVISIONS

Section 1499.20 (p) is amended by Amendment 60, effective February 7, 1944, so that the General Maximum Price Regulation shall read as follows:

In the judgment of the Price Administrator the prices of commodities and services generally have risen and are threatening further to rise to an extent and in a manner inconsistent with the purposes of the Emergency Price Control Act of 1942.

In the judgment of the Price Administrator the maximum prices established by this General Maximum Price Regulation, which apply with certain exceptions to all commodities and services not otherwise subject to regulation, are generally fair and equitable and are necessary to check inflation and to effectuate the purposes of the Act.

So far as practicable the Price Administrator gave due consideration to prices prevailing between October 1 and 15, 1941, and to relevant factors of general applicability. So far as practicable the Price Administrator consulted with representatives of trade and industry.

A statement of the considerations involved in the issuance of this General Maximum Price Regulation is issued simultaneously herewith.*

Therefore, under the authority vested in the Price Administrator by the Emergency Price Control Act of 1942, this General Maximum Price Regulation is hereby issued.

MAXIMUM PRICES

- Sec.
 1499.1 Prohibition against dealing in commodities or services above maximum prices.
 1499.2 Maximum prices for commodities and services; general provisions.
 1499.3 Maximum prices for commodities and services which cannot be priced under § 1499.2.
 1499.4 Supplemental regulations.
 1499.4a Determination of maximum prices by sellers at retail operating more than one retail establishment.
 1499.4b Adjustment of maximum prices in cases of special deals.
 1499.5 Transfers of business or stock in trade.
 1499.6 Sales for export.
 1499.7 Federal and state taxes.
 1499.8 Less than maximum prices.

COMMODITIES AND SERVICES EXCEPTED FROM THIS GENERAL MAXIMUM PRICE REGULATION

- 1499.9 Commodities excepted from this General Maximum Price Regulation.
 1499.10 Services excepted from this General Maximum Price Regulation.

RECORDS

- 1499.11 Back-period records.
 1499.12 Current records.

* 8 F.R. 3036.

* Filed with the Division of the Federal Register. Statements of considerations are also issued simultaneously with amendments. Copies may be obtained from the Office of Price Administration.

Sec.

- 1499.13 Maximum prices of cost-of-living commodities: statement, marking or posting.
1499.14 Sales slips and receipts.

REGISTRATION AND ENFORCEMENT

- 1499.15 Registration.
1499.16 Licensing.
1499.17 Penalties.

PROCEDURE FOR ADJUSTMENT OR AMENDMENT

- 1499.18 Adjustment of maximum prices.
1499.19 Petitions for amendment.
1499.19a Adjustable pricing.

DEFINITIONS AND EXPLANATIONS

- 1499.20 Definitions and explanations.

OTHER PRICE REGULATIONS, APPLICABILITY, EFFECTIVE DATE

- 1499.21 Effect of other price regulations.
1499.22 Applicability.
1499.23 Effective date.
1499.23a Effective dates of amendments.
1499.24 Appendix A: Report of maximum price determined under § 1499.3 (a).
1499.25 Appendix B: Commodities designated by the Price Administrator as cost-of-living commodities.
Appendix C: Report of maximum price determined under § 1499.3 (b).

AUTHORITY: §§ 1499.1 to 1499.25, inclusive, issued under 56 Stat. 23, 765; Pub. Law 151, 78th Cong.; E.O. 9250, 7 F.R. 7871 and E.O. 9328, 8 F.R. 4681.

MAXIMUM PRICES

NOTE: The meaning of certain provisions and terms of this General Maximum Price Regulation is further explained and defined in § 1499.20. The explanations and definitions are set forth in alphabetical order.³ The terms explained and defined are quoted the first time they appear in the text.

§ 1499.1 *Prohibition against dealing in commodities or services above maximum prices.* On and after the effective date of this General Maximum Price Regulation, regardless of any contract or other obligation;

(a) No "person" shall "sell" or deliver any "commodity", and no person shall sell or supply any "service", at a price higher than the maximum price permitted by this General Maximum Price Regulation; and

(b) No person in the course of trade or business shall buy or receive any commodity or service at a price higher than the maximum price permitted by this General Maximum Price Regulation.

(c) The provisions of paragraph (b) of this section shall not be applicable to any war procurement agency or any contracting or paying finance officer thereof and any such agency or contracting or paying finance officer shall be relieved of any and every liability, civil or criminal, imposed by this General Maximum Price Regulation or by the Emergency Price Control Act of 1942. "War procurement agency" as used in this paragraph, includes the War Department, the Department of the Navy, the United States Maritime Commission, and the Lend-Lease Section of the Procurement Division of the Treasury Department, or any agency of any of the foregoing.

[Paragraph (c) added by Am. 7, 7 F.R. 4659, effective 6-25-42]

³With exception of definitions added by amendments.

§ 1499.2 *Maximum prices for commodities and services; general provisions.* Except as otherwise provided in this regulation, the "seller's" maximum price for any commodity or service shall be:

(a) The highest price charged by the seller during March 1942:

(1) For the same commodity or service; or

(2) If no charge was made for the same commodity or service, for the similar commodity or service most nearly like it; or

(b) If the seller's maximum price cannot be determined under paragraph (a), the highest price charged during March 1942 by the "most closely competitive seller of the same class":

(1) For the same commodity or service; or

(2) If no charge was made for the same commodity or service, for the similar commodity or service most nearly like it.

HIGHEST PRICE CHARGED DURING MARCH 1942

For the purposes of this General Maximum Price Regulation, the highest price charged by a seller during March 1942 shall be:

(a) The highest price which the seller charged for a commodity "delivered" or service "supplied" by him during March 1942 to a "purchaser of the same class"; or

(b) If the seller made no such delivery or supplied no such service during March 1942, his highest "offering price" for delivery or supply during that month to a purchaser of the same class; or

(c) If the seller made no such delivery or supplied no such service and had no such offering price to a purchaser of the same class, the highest price charged by the seller during March 1942 to a purchaser of a different class, adjusted to reflect the seller's customary differential between the two classes of purchasers:

Provided, however, That (1) If before April 1, 1942, the seller raised his prices for a commodity or service to all his classes of purchasers (or to all his classes of purchasers except those to whom he was bound to make delivery or supply during March 1942 pursuant to a firm commitment made before the price rise) and

(2) If during March 1942 he delivered the commodity or supplied the service at the increased price to at least one class of purchasers, then, in order to allow the seller to apply the price rise to any class of purchasers to which no delivery or supply was made during that month after the price rise (except under a firm commitment made before the price rise), the highest price charged during March 1942 shall be deemed to be:

(i) The seller's increased offering price to such class of purchasers for delivery or supply during March 1942, or

(ii) If the seller had no such increased offering price to that particular class of purchasers, the highest price charged during March 1942 to a purchaser of a different class, adjusted to reflect:

(a) The seller's customary differential in price between the two classes of purchasers; or

(b) If the seller had no such customary differential, the actual percentage differential in price between the two classes of purchasers which existed at the time the seller last entered into a commitment, or, if he did not enter into such a commitment, last submitted an offering price, for delivery or supply to a purchaser of that particular class during March 1942.

No seller shall evade any of the provisions of this General Maximum Price Regulation by changing his customary allowances, discounts or other price differentials.

No seller shall require any purchaser, and no purchaser shall be permitted, to pay a larger proportion of transportation costs incurred in the delivery or supply of any commodity or service, than the seller required purchasers of the same class to pay during March 1942 on deliveries or supplies of the same or similar types of commodities or services.

[Above portion of § 1499.2 amended by Am. 23, 7 F.R. 6615, effective 8-26-42 and Am. 38, 7 F.R. 10155, effective 12-10-43]

SIMILAR COMMODITIES OR SERVICES

One commodity shall be deemed similar to another commodity, if the first has the same use as the second, affords the purchaser fairly equivalent serviceability, and belongs to a type which would ordinarily be sold in the same price line. In determining the similarity of such commodities, differences merely in style or design which do not substantially affect use, or serviceability, or the price line in which such commodities would ordinarily have been sold, shall not be taken into account. One service shall be deemed similar to another service if the first has the same use and purpose as the second and belongs to a type which would ordinarily be sold for the same or substantially the same price.

SPECIAL PROVISIONS

The maximum prices established by this section for certain commodities or services or in certain transactions may be modified by supplementary regulation issued under this section.⁴

[Above paragraph added by Am. 16, 7 F.R. 5484, effective 7-15-42]

[NOTE: Revised Supplementary Order No. 34 (8 F.R. 12404) permits special packing expenses to be added to maximum prices on sales to procurement agencies of the United States.]

§ 1499.3 *Maximum prices for commodities and services which cannot be priced under § 1499.2.* The seller's maximum price for a commodity or service which cannot be priced under § 1499.2 of this General Maximum Price Regulation shall be a maximum price in line with the level of maximum prices established by this General Maximum Price Regulation. Such price shall be determined by

⁴These modifications are contained in Revised Supplementary Regulation No. 14 and Supplementary Regulations 14A and 14B and amendments thereto.

the seller in accordance with the following procedures:

(a) In the case of a "sale at wholesale or retail" of a commodity, the seller (1) shall select from the same general classification and price range as the commodity being priced under this section, the comparable commodity for which a maximum price is established under § 1499.2 of this regulation and of which the seller delivered the largest number of units during March 1942; (2) shall divide his maximum price for that commodity by his "replacement cost" of that commodity; and (3) shall multiply the percentage so obtained by the cost to him of the commodity being priced under this paragraph. The resulting figure shall be the maximum price of the commodity being priced. Within ten days after determining such maximum price under this paragraph, the seller shall report such price to the "appropriate field office of the Office of Price Administration" upon a form, duly filled out, copied from the form contained in Appendix A of this regulation. The price so reported shall be subject to adjustment at any time by the Office of Price Administration.

(b) In the case of a sale, other than at wholesale or retail, of a commodity for which a maximum price or pricing method has not been or is not specifically authorized by the Office of Price Administration,⁵

[Above paragraph amended by Am. 55, 8 F.R. 8511, effective 6-17-43.]

(1) The seller (i) shall select a comparable commodity for which a maximum price has been established under § 1499.2 (a) (1) of this regulation; (ii) shall divide his maximum price for the comparable commodity by its current direct cost; and (iii) multiply the percentage so obtained by the current direct cost of the commodity being priced. All customary discounts, trade practices, and practices relating to the payment of transportation charges in effect with respect to the sale of the comparable commodity shall apply to such maximum price.

"Comparable commodity" as used in this subparagraph (1) means a commodity which is made by the same seller, has the same general use and is recognized in the trade or industry as being of the same general type, even though different materials or construction are used, and has a current direct cost varying by not more than 50% from the cur-

rent direct cost of the commodity being priced. If more than one commodity can be regarded as comparable, the one whose current direct cost is closest to the current direct cost of the commodity being priced shall be regarded as the "comparable commodity."

"Direct cost" means the sum of direct labor and direct material costs. Direct labor costs shall in no event be computed on wage rates higher than those permitted by law, and direct material costs shall in no event be computed on prices higher than the maximum prices established by the applicable maximum price regulations.

Within ten days after determining a maximum price under this subparagraph (1), the seller shall report such price to the appropriate field office of the Office of Price Administration upon a form, duly filled out, copied from the form contained in Appendix C of this regulation. The price so reported shall be subject to adjustment at any time by the Office of Price Administration.

(2) If the seller is unable to determine a maximum price for a commodity under subparagraph (1) above or if he cannot determine a maximum price under subparagraph (1) without undue hardship, he shall, at least twenty days before offering such commodity for sale, file an application for a maximum price with the appropriate field office of the Office of Price Administration. The application shall set forth (i) a description of the commodity for which a maximum price is sought; (ii) the reasons why such commodity cannot be priced under § 1499.2 or subparagraph (1) above; (iii) the maximum price proposed by the seller together with a detailed explanation of the method by which the seller calculated such price; and (iv) the reasons why the seller believes the proposed price to be in line with the level of maximum prices established by this regulation. The seller shall also submit such additional pertinent information as the field office may require. The proposed price shall be the seller's maximum price, unless the Office of Price Administration specifically disapproves it within twenty days after the application is mailed. Any maximum price established under this subparagraph (2) shall be subject to adjustment by the Office of Price Administration at any time after such twenty day period.

(3) The Price Administrator may, in his discretion, issue orders authorizing maximum prices or pricing methods in those cases where applications under the former § 1499.3 (b) were pending on May 29, 1943. The Price Administrator may also issue orders under this § 1499.3 (b) authorizing maximum prices or price determining methods for groups of sellers, upon application, or on his own motion.

[Subparagraph (3) added and former (3) redesignated (4) and amended by Am. 55, 8 F.R. 8511, effective 6-17-43.]

(4) Any Regional Office of the Office of Price Administration, or such other offices as may be authorized by order issued by the appropriate Regional Office, may approve, disapprove, and make adjust-

ments in prices reported under subparagraphs (1) and (2) above.

[Paragraph (b) amended by Am. 54, 8 F.R. 6362, effective 5-23-43]

(c) In the case of a sale at wholesale or retail of a commodity which cannot be priced under paragraph (a) of this section, the maximum price shall be a price determined by the seller after specific authorization from the Office of Price Administration or any duly authorized officer thereof. A seller who seeks an authorization to determine a maximum price under the provisions of this paragraph shall file with the regional office of the Office of Price Administration for the region in which his principal place of business is located an application setting forth (1) a description of the commodity or commodities for which a maximum price is sought; (2) a statement of the reasons why such commodity or commodities cannot be priced under § 1499.2 or § 1499.3 (a) of this General Maximum Price Regulation; and (3) any other facts which the seller wishes to submit in support of the application. The seller shall also submit such additional pertinent information as the regional office may require. Such authorization will be given in the form of an order prescribing a method of determining the maximum price.

(d) In the case of a sale of a commodity the price for which includes the supply of a service of substantial value and which cannot be priced under paragraph (a) of this section, or in the case of a sale of a service, the maximum price shall be a price determined by the seller by applying the first applicable pricing method of the pricing methods stated in § 1499.102 of Maximum Price Regulation No. 165, as amended.⁶

[§ 1499.3 amended by Am. 25, 7 F.R. 7693, effective 9-9-42 and as otherwise noted]

§ 1499.4 *Supplemental regulations.* If the maximum prices established for any commodity under the provisions of this General Maximum Price Regulation fall equitably to distribute returns from the sale at retail of such commodity among producers, manufacturers, wholesalers and retailers, the Price Administrator will by supplementary regulation establish such maximum prices for different classes of sellers, or fix such base periods for the determination of their maximum prices, as will insure that each such class of sellers shall receive a fair share of such return.

§ 1499.4a *Determination of maximum prices by sellers at retail operating more than one retail establishment.* A seller who owns more than one establishment selling commodities at retail and who has had a fixed practice, which prevailed during March 1942, of selling commodities at retail at uniform or at substantially uniform prices in all such establishments or in all such establishments located in a particular area may

⁵ Prices or pricing methods heretofore or hereafter established for certain commodities by orders issued under this paragraph (b) are not affected by this amendment and shall continue to apply to such commodities. This paragraph (b) is not to be used for pricing new commodities which are covered by other price regulations, for example, MPR 188 (Building Materials and Consumers Goods Other Than Apparel), MPR 220 (Certain Rubber Commodities), MPR 300 (Rubber Drug Sundries), MPR 118 (Cotton Products), MPR 136, as amended (Machines and Parts), and others.

[Footnote added by Am. 54, 8 F.R. 6962, effective 5-29-43 and amended by Am. 55, 8 F.R. 8511, effective 6-17-43.]

⁶ 7 F.R. 6423, 6365, 8239, 8431, 8793, 8343, 8348, 9197, 9342, 8343, 9785, 9371, 9372, 10480, 10810, 10718, 11010; 8 F.R. 1060, 3324, 4782, 5031, 6364, 5755, 5333, 8506, 8373, 10571, 10339, 11754, 12023, 12710, 13362, 13742, 13320, 14590.

make written application to the Office of Price Administration, Consumer Goods Division, Washington, D. C., for authorization to determine and use uniform maximum prices under this General Maximum Price Regulation in all of such establishments in which it has been the practice to charge uniform or substantially uniform prices. Such application shall state (a) the name and address of the principal office of the seller; (b) the number of separate retail establishments owned by the seller and the address of each such establishment; (c) the kind of merchandise carried in such retail establishments; (d) whether commodities are purchased centrally by the seller and distributed by the seller to such retail establishments or are purchased separately by such establishments; (e) a description of the fixed practice of the seller of selling commodities at uniform or substantially uniform prices in all such retail establishments or in all such retail establishments located in particular areas indicating the length of time during which such practice has been in effect and whether uniform selling prices are determined in a central office; (f) the names and addresses of the seller's most closely competitive sellers of the same class on a national or regional basis; and (g) any other facts which the seller wishes to submit in support of the application. If such authorization is given, it will be accompanied by instructions as to the method by which the seller may determine and use uniform maximum prices under this General Maximum Price Regulation.

[§ 1499.4a added by Am. 12, 7 F.R. 5365, effective 7-15-42]

§ 1499.4b *Adjustment of maximum prices in cases of special deals.* Any seller, other than a seller at retail, whose maximum price for a commodity to purchasers of a particular class is based on a "special deal" given by him to such purchasers which he can demonstrate was to have terminated not more than 123 days from the date on which it first became effective, may adjust his maximum price to such purchasers to the highest price at which such commodity was delivered by him to a purchaser of that class during the 30 days immediately preceding the date on which the special deal first became effective.

A seller at retail whose maximum price for a commodity to purchasers of a particular class is based on a special deal given by him to such purchasers as the result of a special deal given to him by his supplier may adjust his maximum price to such purchasers to the highest price at which such commodity was delivered by him to a purchaser of that class during the 30 days immediately preceding the date on which the special deal given by him first became effective. Such adjusted maximum price shall not apply to the particular commodities purchased by the retailer under the special deal given to him by his supplier.

The words "special deal," as used in this section, mean any reduction in the price of a commodity to purchasers of a particular class from the price in ef-

fect for purchasers of that class on the day immediately preceding the date on which the special deal first became effective, including but not limited to a reduction in such price resulting from offers of free goods, combination sales, and increased quantity and other discounts to purchasers of such class.

A seller who makes an adjustment in his maximum price pursuant to this section shall, within 10 days thereafter, submit a statement to the regional office of the Office of Price Administration for the region in which the seller's place of business is located, except that if the seller makes sales of the commodity in more than one region, the statement shall be submitted to the Office of Price Administration, Washington, D. C. Such statement shall set forth:

(a) The seller's maximum price for the commodity prior to the adjustment permitted by this section;

(b) A description of the special deal given by the seller including all the terms thereof, the class or classes of purchasers to which it was applicable, the dates during which it was in effect, and copies of price lists, advertisements and trade announcements pertaining to such special deal;

(c) In the case of a seller at retail a description of the special deal given to him by his supplier including all the terms thereof, the dates during which it was in effect and copies of price lists and trade announcements pertaining to such special deal;

(d) In the case of a seller other than a seller at retail, detailed evidence demonstrating that the special deal was to have terminated on or before a date not more than 123 days from the date on which the special deal first became effective;

(e) The adjusted maximum price established by the seller pursuant to this section; and

(f) A description of all prices and terms of payment which the seller has had in effect for the commodity since January 1, 1941.

The adjusted maximum price reported by the seller pursuant to this section shall be subject to adjustment at any time by the Office of Price Administration.

No seller shall make an adjustment of his maximum price under this section after May 31, 1943.

[Above paragraph added by Am. 53, 8 F.R. 6047, effective 5-13-43]

[§ 1499.4b added by Am. 14, 7 F.R. 5565, effective 7-21-42]

§ 1499.5 *Transfers of business or stock in trade.* If the business, assets or stock in trade of any business are sold or otherwise transferred after April 28, 1942, and the transferee carries on the business, or continues to deal in the same type of commodities or services, in an establishment separate from any other establishment previously owned or operated by him, the maximum prices of the transferee shall be the same as those to which his transferor would have been subject if no such transfer had taken place, and his obligation to keep records sufficient to verify such prices shall be the same.

The transferor shall either preserve and make available, or turn over, to the transferee all records of transactions prior to the transfer which are necessary to enable the transferee to comply with the record provisions of this General Maximum Price Regulation.

§ 1499.6 *Sales for export.* The maximum price at which a person may export any commodity shall be determined in accordance with the provisions of the Maximum Export Price Regulation¹ issued by the Office of Price Administration on April 25, 1942.

§ 1499.7 *Federal and state taxes.* Any tax upon, or incident to the sale, delivery, processing, or use of a commodity, or the supplying of a service, imposed by any statute of the United States or statute or ordinance of any state or subdivision thereof, shall be treated as follows in determining the seller's maximum price for such commodity or service and in preparing the records of such seller with respect thereto:

(a) *As to a tax in effect during March 1942.* (1) If the seller paid such tax, or if the tax was paid by any prior vendor, irrespective of whether the amount thereof was separately stated and collected from the seller, but the seller did not customarily state and collect separately from the purchase price during March 1942 the amount of the tax paid by him or tax reimbursement collected from him by his vendor, the seller may not collect such amount in addition to the maximum price, and in such case shall include such amount in determining the maximum price under this General Maximum Price Regulation.

(2) In all other cases if, at the time the seller determines his maximum price, the statute or ordinance imposing such tax does not prohibit the seller from stating and collecting the tax separately from the purchase price, and the seller does state it separately, the seller may collect, in addition to the maximum price, the amount of the tax actually paid by him or an amount equal to the amount of tax paid by any prior vendor and separately stated and collected from the seller by the vendor from whom he purchased, and in such case the seller shall not include such amount in determining the maximum price under this General Maximum Price Regulation.

(b) *As to a tax or increase in a tax which becomes effective after March 31, 1942.* If the statute or ordinance imposing such tax or increase does not prohibit the seller from stating and collecting the tax or increase separately from the purchase price, and the seller does separately state it, the seller may collect, in addition to the maximum price, the amount of the tax or increase actually paid by him or an amount equal to the amount of tax paid by any prior vendor and separately stated and collected from the seller by the vendor from whom he purchased: *Provided, however,* That the tax on the transportation of all property (excepting coal) imposed by section 620 of the Revenue Act of

¹ Second Revision; 8 F.R. 4132, 5987, 7662, 8998, 15193.

1942 shall, for purposes of determining the applicable maximum price of any commodity or service, be treated as though it were an increase of 3% in the amount charged by every person engaged in the business of transporting property for hire. It shall not be treated as a tax for which a charge may be made in addition to the maximum price.

[§ 1499.7 amended, by Am. 7, 7 F.R. 4659, effective 6-25-42 and Am. 39, 7 F.R. 10454, effective 12-17-42.]

§ 1499.8 *Less than maximum prices.* Lower prices than those established by this General Maximum Price Regulation may be charged, demanded, paid or offered.

COMMODITIES AND SERVICES EXCEPTED FROM THIS GENERAL MAXIMUM PRICE REGULATION

§ 1499.9 *Commodities excepted from this General Maximum Price Regulation.* The provisions of this General Maximum Price Regulation shall not apply to such sales and deliveries of commodities as may be specified by supplementary regulations or by any amendments thereto.⁸

[§ 1499.9 amended by Am. 2, 7 F.R. 3990, effective 5-29-42; Am. 4, 7 F.R. 4339, effective 6-5-42; Am. 5, 7 F.R. 4487, effective 6-19-42; Am. 9, 7 F.R. 5027, effective 7-2-42; Am. 21, 7 F.R. 6007, effective 8-7-42; Am. 36, 7 F.R. 9616, effective 11-24-42; Am. 41, 8 F.R. 1204, effective 2-1-43; Am. 42, 8 F.R. 1317, effective 2-3-43; Am. 44, 8 F.R. 2110, effective 2-20-43; Am. 48, 8 F.R. 4347, effective 4-8-43; Am. 50, 8 F.R. 4724, effective 4-14-43; Am. 51, 8 F.R. 4978, effective 4-22-43; and Am. 52, 8 F.R. 4948, effective 4-12-43.]

§ 1499.10 *Services excepted from this General Maximum Price Regulation.* The provisions of this General Maximum Price Regulation shall not apply to such services as may be specified by supplementary regulations issued under this section or by any amendments thereto.⁹

[§ 1499.10 as amended by Am. 8, 7 F.R. 4738, effective 7-1-42]

RECORDS

§ 1499.11 *Base-period records.* Every person selling commodities or services for which, upon sale by that person, maximum prices are established by this General Maximum Price Regulation, shall:

(a) Preserve for examination by the Office of Price Administration all his existing "records" relating to the prices which he charged for such of those commodities or services as he delivered or supplied during March 1942, and his offering prices for delivery or supply of such commodities or services during such month; and

(b) Prepare, on or before July 1, 1942, on the basis of all available information and records, and thereafter keep for examination by any person during ordinary business hours, a statement showing:

⁸ These commodities are contained in Revised Supplementary Regulation No. 1 and amendments thereto.

⁹ These services are contained in Revised Supplementary Regulation No. 11 and amendments thereto.

(1) The highest prices which he charged for such of those commodities or services as he delivered or supplied during March 1942 and his offering prices for delivery or supply of such commodities or services during such month, together with an appropriate description or identification of each such commodity or service; and

(2) All his customary allowances, discounts, and other price differentials.

Any person, other than a person selling at retail, who claims that substantial injury would result to him from making such statement available to any other person, may file it with the appropriate field office of the Office of Price Administration. The information contained in such statement will not be published or disclosed unless it is determined that the withholding of such information is contrary to the purposes of this General Maximum Price Regulation.

§ 1499.12 *Current records.* Every person selling commodities or services for which, upon sale by that person, maximum prices are established by this General Maximum Price Regulation shall keep, and make available for examination by the Office of Price Administration, records of the same kind as he has customarily kept, relating to the prices which he charged for such of those commodities or services as he sold after the effective date of this General Maximum Price Regulation; and, in addition, records showing, as precisely as possible, the basis upon which he determined maximum prices for those commodities or services.

§ 1499.13 *Maximum prices of cost-of-living commodities: statement, marking or posting.* For the purposes of this section, a cost-of-living commodity is any commodity designated as such by the Price Administrator. A list of the classes of commodities so designated appears in § 1499.25, Appendix B, of this General Maximum Price Regulation.

(a) On and after May 18, 1942, every person offering to sell a cost-of-living commodity at retail shall mark the maximum price of such commodity in a manner plainly visible to, and understandable by, the purchasing public. The maximum price may be marked on the commodity itself or on the shelf, bin, rack, or other holder or container upon or in which the commodity is kept, or it may be posted at the place in the business establishment where the commodity is offered for sale: *Provided*, That whichever of the above methods of posting is adopted, the maximum price of each commodity offered for sale shall be plainly visible to the purchaser at the place in the business establishment where the commodity is offered for sale, and shall not be obscured by the posted prices of other commodities, whether by use of price books or catalogs or layers of price lists or otherwise or in any other manner. The maximum price shall be stated as follows: "Ceiling price \$-----;" or "Our ceiling \$-----." Any person choosing to post by price-lines the maximum prices of commodities in the classifications marked by asterisks in Appendix B, shall post the maximum price by

price-line at the place in the business establishment where the commodities in such price-line are offered for sale, and, in addition, shall mark the selling price of each such commodity on the commodity itself.

[Paragraph (a) as amended by Am. 18, 7 F.R. 5783, effective 7-30-42]

(1) Every seller making retail sales on the basis of orders received by mail shall post or mark his maximum prices in all catalogs, flyers, leaflets, circulars, booklets, lists or other printed or similar matter issued and distributed by him after the effective date of this amendment for the purpose of obtaining mail orders. One of the following methods of posting or marking shall be used:

(i) State the maximum price for each cost-of-living commodity listed in each of the publications described above at the place in the publication where such commodity is listed. A change in maximum price, which has occurred after a publication has been printed but before it has been distributed, shall be entered either where the cost-of-living commodity has been listed or upon a correction page inserted and attached inside the front cover of the publication. The maximum price shall be stated substantially as follows: "Ceiling price \$-----;" or "Our ceiling price \$-----;" or,

(ii) Print on the front cover of all catalogs, flyers, leaflets, circulars or booklets, or the front page of all lists or publications not having a cover, at the time they are issued, substantially the following statement signed with the name of the seller:

NOTICE TO CUSTOMERS

No price for any article listed or described herein exceeds the ceiling price for that article as determined under the applicable maximum price regulation issued by the Office of Price Administration. As required by that Office, we will, upon request, furnish you with a statement of our maximum prices on any of the commodities listed about which you inquire.

(Signed) -----

Any seller using this method, shall upon request, furnish a statement of the maximum prices for any commodities listed or described in the publication and about which the customer inquires.

[Subparagraph (1) amended by Am. 35, 7 F.R. 9315, effective 11-24-42 and Am. 46, 8 F.R. 3036, effective 3-17-43]

(2) Any seller making retail sales by mail may apply to the Office of Price Administration for permission to deviate from the requirements in subparagraph (1). The application shall state why such requirements are inequitable or inappropriate as applied to the applicant's business, and shall show that the requested method of posting is substantially in line with the requirements of posting for mail order sellers set forth in subparagraph (1).

[Subparagraph (2) as amended by Am. 35, 7 F.R. 9315, effective 11-24-42]

(b) On or before July 1, 1942, every person offering to sell cost-of-living commodities at retail shall file with the "appropriate War Price and Rationing Board" of the Office of Price Administra-

tion a statement showing his maximum price for each such commodity, together with an appropriate description or identification of it. Every person thereafter establishing a new place of business for the sale of cost-of-living commodities at retail shall, within 10 days after opening such new establishment, likewise file with the appropriate War Price and Rationing Board a statement showing his maximum price for each such commodity, together with an appropriate description or identification of the commodity.

[Paragraph (b) amended by Am. 11, 7 F.R. 5192, effective 7-11-42; Am. 56, 8 F.R. 9025, effective 7-6-43; Am. 58, 8 F.R. 11955, effective 9-3-43]

(c) No person is required to mark or file the maximum price of any commodity manufactured by him if his only sales at retail of such commodity are made to his employees. And no person is required to mark, post or file the maximum price of any commodity determined for an "accommodation sale" at retail pursuant to the terms of § 1499.73 (a) (51)¹⁰ of Supplementary Regulation No. 14 to the General Maximum Price Regulation.

[Paragraph (c) added by Am. 31, 7 F.R. 8881, effective 11-5-42 and amended by Am. 49, 8 F.R. 4486, effective 4-10-43]

§ 1499.14 *Sales slips and receipts.* Any seller who has customarily given a purchaser a sales slip, receipt, or similar evidence of purchase shall continue to do so. Upon request from a purchaser any seller, regardless of previous custom, shall give the purchaser a receipt showing the date, the name and address of the seller, the name of each commodity or service sold, and the price received for it.

REGISTRATION AND ENFORCEMENT

§ 1499.15 *Registration.* Every person selling at wholesale, and every person who owns, or hereafter becomes the owner of, any business operating an "establishment selling at retail" any commodity or service for which a maximum price is established by this General Maximum Price Regulation or by any other "price regulation" of the Office of Price Administration, shall register with the Office of Price Administration at such time and in such manner as the Administrator may hereafter by regulation prescribe, on forms which will be made available by the Office of Price Administration.

[§ 1499.15 as amended by Am. 7, 7 F.R. 4659, effective 6-25-42]

§ 1499.16 *Licensing.* The provisions of Licensing Order No. 1,¹¹ licensing all persons who make sales under price control, are applicable to all sellers subject to this regulation or schedule. A seller's license may be suspended for violations of the license or of one or more applicable price schedules or regulations. A person whose license is suspended may not, during the period of suspension,

make any sale for which his license has been suspended.

[§ 1499.16 amended by Am. 20, 7 F.R. 6081, effective 8-8-42; Am. 37, 7 F.R. 9732, effective 11-25-42; Supplementary Order 72, 8 F.R. 13244, effective 10-1-43]

§ 1499.17 *Penalties.* Persons violating any provision of this General Maximum Price Regulation are subject to the criminal penalties, civil enforcement actions, and suits for treble damages provided for by the Emergency Price Control Act of 1942, and proceedings for the suspension of licenses.

PROCEDURE FOR ADJUSTMENT OR AMENDMENT

§ 1499.18 *Adjustment of maximum prices.* The Office of Price Administration, or any duly authorized representative thereof, may adjust any maximum price established under this regulation in the following cases:

(a) In the case of any seller at retail who shows:

(1) That such maximum price is abnormally low in relation to the maximum price of the same or similar commodity or service established for other sellers at retail; and

(2) That this abnormality subjects him to substantial hardship.

No application for adjustment filed after November 30, 1942 will be granted under this paragraph (a).

(b) In the case of any seller, other than a seller at retail, who shows:

(1) That such maximum price causes him substantial hardship and is abnormally low in relation to the maximum prices established for competitive sellers of the same or similar commodities; and

(2) That establishing for him a maximum price, bearing a normal relation to the maximum price established for competitive sellers of the same or similar commodities, will not cause or threaten to cause an increase in the level of retail prices.

No application for adjustment filed after November 15, 1942 will be granted under this paragraph (b).

(c) In the case of any seller or group of sellers when it appears:

(1) That there exists or threatens to exist in a particular locality a shortage in the supply of a commodity or service which aids directly in the war program or is essential to a standard of living consistent with the prosecution of the war; and

(2) That such local shortage will be substantially reduced or eliminated by adjusting the maximum prices of such seller and of like sellers for such commodity or service; and

(3) That such adjustment will not create or tend to create a shortage, or a need for increase in prices, in another locality, and will effectuate the purposes of the Emergency Price Control Act of 1942, as amended.

(4) The provisions of this paragraph (c) shall not apply to fluid milk. The provisions for the adjustment of the established maximum prices for fluid

milk are set forth in § 1499.75 (a) (9) of Supplementary Regulation No. 15 to the General Maximum Price Regulation.

[Subparagraph (4) added by Am. 59, 8 F.R. 13724, effective 10-4-43]

Each Regional Administrator is authorized to make adjustments or act upon applications for adjustment under this paragraph (c).

(d) In the case of any seller at retail who shows:

(1) That his maximum price for any commodity established under this Regulation is less than the minimum price in effect for such commodity during March 1942 pursuant to a contract entered into in accordance with a Fair Trade Act of any state; and

(2) That the commodity was generally sold at retail during March 1942 at such minimum price within the locality in which his selling establishment is located; and

(3) That he has been permanently enjoined by a court from selling the commodity at less than such minimum price. In such a case the maximum price of such seller will be increased to such minimum price.

(e) In such other cases as may be specified by supplementary regulation issued under this section.¹²

Applications for adjustment shall be filed in accordance with Revised Procedural Regulation No. 1.¹³

[§ 1499.18 as amended by Am. 33, 7 F.R. 8942, effective 11-4-42]

[Note: Procedural Regulation No. 6 (7 F.R. 5087, 5665; 8 F.R. 6173, 6174) provides for the filing of applications for adjustment of maximum prices for commodities or services under Government contracts or subcontracts. Revised Supplementary Order No. 9 (8 F.R. 6175) makes the provisions of Procedural Regulation No. 6 applicable to all price regulations, excepting those which expressly prohibit such applications and certain specific regulations listed in Revised Supplementary Order No. 9.]

[Note: Supplementary Order No. 28 (7 F.R. 9619; 8 F.R. 7256) provides for the filing of applications for adjustment or petitions for amendment based on a pending wage or salary increase requiring the approval of the National War Labor Board.]

§ 1499.19 *Petitions for amendment.* Any person seeking an amendment of any provision of this General Maximum Price Regulation, may file a petition for amendment in accordance with the provisions of Revised Procedural Regulation No. 1.

[§ 1499.19 as amended by Supplementary Order 26, 7 F.R. 8948]

§ 1499.19a *Adjustable pricing.* Any person may agree to sell at a price which can be increased up to the maximum price in effect at the time of delivery; but no person may, unless authorized by the Office of Price Administration, deliver or agree to deliver at prices to be adjusted upward in accordance with action taken by the Office of Price Admin-

¹² Adjustment provisions for specified commodities and services covered by this regulation are contained in Supplementary Regulation No. 15 and amendments thereto.

¹³ 7 F.R. 8961, 8 F.R. 3313, 3533, 6173, 11800.

¹⁰ Superseded by section 9.2 of Revised Supplementary Regulation No. 14.

¹¹ 8 F.R. 13240.

istration after delivery. Such authorization may be given when a request for a change in the applicable maximum price is pending, but only if the authorization is necessary to promote distribution or production and if it will not interfere with the purposes of the Emergency Price Control Act of 1942, as amended. The authorization may be given by the Administrator or by any official of the Office of Price Administration having authority to act upon the pending request for a change in price or to give the authorization. The authorization will be given by order, except that it may be given by letter or telegram when the contemplated revision will be the granting of an individual application for adjustment.

[§ 1499.19a added by Am. 57, 8 F.R. 9991, effective 7-16-43]

DEFINITIONS AND EXPLANATIONS

§ 1499.20 *Definitions and explanations.* This General Maximum Price Regulation, and the terms appearing therein, unless the context otherwise requires, shall be construed as follows:

(a) "Appropriate field office of the Office of Price Administration" means the district office for the district (or in the absence of such district office, the state office for the State) in which is located the seller's place of business from which his sales are made.

(b) "Appropriate war price and rationing board" means the war price and rationing board for the area in which is located the seller's place of business from which the cost-of-living commodities are offered for sale.

(c) "Commodity" includes commodities, articles, products, and materials and contracts to buy, sell, or deliver any of the foregoing.

[Paragraph (c) as amended by Am. 8, 7 F.R. 4738, effective 7-1-42]

(d) "Delivered." A commodity shall be deemed to have been "delivered" during March 1942, if during such month it was received by the purchaser or by any carrier, including a carrier owned or controlled by the seller, for shipment to the purchaser.

(e) "Establishment" refers to the physical location of the store, shop or other place of business in which commodities or services are sold. Any such establishment shall be deemed to be selling at retail if it has an established practice of making sales at retail.

(f) [Revoked]

[Paragraph (f) revoked by Am. 41, 8 F.R. 1204, effective 2-1-43]

(g) "Most closely competitive seller of the same class." "Seller of the same class" means a seller (1) performing the same function (for example, manufacturing, distributing, retailing, processing, storing, installing, or repairing), (2) of similar type (for example, department store, mail order house, chain store, specialty shop, cut-rate store), (3) dealing in the same type of commodities or services, and (4) selling to the same class of purchaser. A seller's "most closely competitive seller of the same class" shall be a seller of the same class who (1) is selling the same or a similar commodity or

service, and (2) is closely competitive in the sale of such commodities or services, and (3) is located nearest to the seller.

[Paragraph (g) as amended by Am. 7, 7 F.R. 4659, effective 6-25-42]

(h) "Offering price" means the price quoted in the seller's price list, or, if he had no such price list, the price which he regularly quoted in any other manner, except that in the case of sales of commodities by an establishment selling at retail, the offering price shall be the price at which the commodity was offered for sale at the immediate point of sale (for example, the shelves or counters). But "offering price" shall not include a price intended to withhold a commodity or service from the market, or a price offered as a bargaining price by a seller who usually sells at a price lower than his asking price.

(i) "Person" includes an individual, corporation, partnership, association, any other organized group of persons, legal successor or representative of any of the foregoing, and includes the United States, any agency thereof, any other government, or any of its political subdivisions, and any agency of any of the foregoing.

(j) "Price regulation" means a price schedule effective in accordance with the provisions of § 208 of the Emergency Price Control Act of 1942, a maximum price regulation or temporary maximum price regulation issued by the Office of Price Administration, or any order issued pursuant to any such regulation or schedule.

(k) "Purchaser of the same class" refers to the practice adopted by the seller in setting different prices for commodities or services for sales to different purchasers or kinds of purchasers (for example, manufacturer, wholesaler, jobber, retailer, government agency, public institution, individual consumer) or for purchasers located in different areas or for different quantities or grades or under different conditions of sale.

(l) [Revoked.]

[Paragraph (l) amended by Am. 41, 8 F.R. 1204, effective 2-1-43 and revoked by Am. 51, 8 F.R. 4978, effective 4-22-43]

(m) "Records" include books of account, sales lists, sales slips, orders, vouchers, contracts, receipts, invoices, bills of lading, and other papers and documents.

(n) "Replacement cost" shall be the net price paid by the seller after May 18, 1942, or the net price which the seller would have to pay to replace such commodity after such date.

(o) "Sale at retail" or "selling at retail" means a sale or selling to an ultimate consumer other than an industrial or commercial user except that (1) for the purpose of § 1499.3 of this General Maximum Price Regulation a "sale at retail" shall not include any sale by a producer, manufacturer, or fabricator of any commodity produced, manufactured, or fabricated by him, and (2) for the purpose of §§ 1499.11 and 1499.13 of this General Maximum Price Regulation a "sale at retail" shall not include any sale to the United States, any other government or any of its political subdivisions, any religious, educational or charitable

institution, any institution for the sick, deaf, blind, disabled, aged or insane, or any school, hospital, library or any agency of any of the foregoing.

[Paragraph (o) as amended by Am. 7, 7 F.R. 4659, effective 6-25-42]

(p) "Sale at wholesale" means a sale by a person who buys a commodity and resells it, without substantially changing its form, to any person other than the ultimate consumer, except that, for the purposes of § 1499.3 of this General Maximum Price Regulation, a sale at wholesale shall include any sale by such person to an industrial or commercial user.

[Paragraph (p) amended by Am. 21, 7 F.R. 6007, effective 8-7-42; Am. 45, 8 F.R. 2346, effective 2-22-43; and Am. 60, effective 2-7-44]

(q) [Revoked.]

[Paragraph (q) revoked by Am. 51, 8 F.R. 4978, effective 4-22-43]

(r) "Sell" includes sell, supply, dispose, barter, exchange, lease, transfer, and deliver, and contracts and offers to do any of the foregoing. The terms "sale," "selling," "sold," "seller," "buy," "purchase," and "purchaser," shall be construed accordingly. Nothing in this General Maximum Price Regulation shall be construed to prohibit the making of a contract to sell a commodity or service at a price not to exceed the maximum price at the time of delivery or supply.

(s) "Seller" includes the seller of any commodity or service. Where a seller at retail makes sales or supplies services through more than one selling unit, other than salesmen making sales at uniform prices, each such separate place of business of the seller shall be deemed to be a separate seller. Where a seller other than at retail makes sales or supplies services through more than one selling unit, all selling units whose prices for most of the commodities they sell have customarily been determined centrally by the same office, shall be deemed to be a single seller; but where a seller has by charging different prices for a commodity at his selling units established different classes of purchasers, he will have different maximum prices for the different selling units. For the purposes of § 1499.16 of this regulation, the owner of a business shall be considered the seller regardless of the number of separate places of business he owns.

[Paragraph (s) as amended by Am. 43, 8 F.R. 2029, effective 2-18-43]

(t) "Service" includes any service rendered or supplied, otherwise than as an employee, in connection with the processing, distribution, storage, installation, repair, or negotiation of purchase or sale of a commodity, and generally, without limiting the foregoing, all services which preserve or add to the value or utility of a commodity.

(u) "Supplied." A service shall be deemed to have been "supplied" during

March 1942, if during such month it was completed or in process.

(v) [Revoked.]

[Paragraph (v) added by Am. 2, 7 P.R. 3990, effective 5-29-42; amended by Am. 34, 7 P.R. 0435, effective 11-21-42 and revoked by Am. 51, 8 P.R. 4978, effective 4-22-43]

(w) [Revoked.]

[Paragraph (w) added by Am. 2, 7 P.R. 3990, effective 5-29-42; amended by Am. 6, 7 P.R. 4659, effective 6-22-42 and revoked by Am. 51, 8 P.R. 4978, effective 4-22-43]

(x) [Revoked.]

[Paragraph (x) added by Am. 2, 7 P.R. 3990, effective 5-29-42 and revoked by Am. 51, 8 P.R. 4978, effective 4-22-43.]

(y) [Revoked.]

[Paragraph (y) added by Am. 7, 7 P.R. 5784, effective 7-30-42 and revoked by Am. 51, 8 P.R. 4978, effective 4-22-43]

(z) [Revoked.]

[Paragraph (z) added by Am. 9, 7 P.R. 5027, effective 7-2-42; amended by Am. 13, 7 P.R. 5446, effective 7-16-42 and revoked by Am. 51, 8 P.R. 4978, effective 4-22-43.]

OTHER PRICE REGULATIONS, APPLICABILITY, EFFECTIVE DATE

§ 1499.21 *Effect of other price regulations.* §§ 1499.13, 1499.14, 1499.15, 1499.16 and 1499.25 of this General Maximum Price Regulation shall apply but the other provisions of this General Maximum Price Regulation shall not apply to any sale or delivery for which a maximum price is in effect, at the time of such sale or delivery, under the provisions of any other price regulation issued, or which may be issued, by the Office of Price Administration, unless otherwise provided in any such price regulation.

[§ 1499.21 as amended by Am. 7, 7 P.R. 4659, effective 6-25-42]

§ 1499.22 *Applicability.* The provisions of this General Maximum Price Regulation shall be applicable to the United States, its territories and possessions, and the District of Columbia.

§ 1499.23 *Effective date.* All the provisions of this General Maximum Price Regulation shall become effective on May 11, 1942, except that:

(a) The provisions of this General Maximum Price Regulation, other than § 1499.11 (a), shall not apply to establishments selling at retail until May 18, 1942;

(b) The provisions of §§ 1499.1 and 1499.2 shall not apply to any sale of services at retail until July 1, 1942; and

(c) The provisions of § 1499.11 (a) shall become effective upon the date of issuance of this General Maximum Price Regulation.

[GMPR originally issued April 28, 1942.]

§ 1499.23a *Effective dates of amendments.* [Effective dates of amendments are shown in notes following the parts affected.]

§ 1499.24 *Appendix A: Report of maximum price determined under § 1499.3 (a).*

Form GMPR:2 This form GMPR:2 shall be used for the reporting of a maximum price

for sale at wholesale or retail determined under § 1499.3 (a) of the General Maximum Price Regulation. The maximum price for sale at wholesale or retail may be determined under this section only if the seller cannot determine maximum prices under § 1499.2: i. e., if there was no sale or offer to sell of the same or similar commodities by the seller reporting or by a competitor during the month of March, 1942. Any seller who has determined a maximum price under § 1499.3 (a) is required, within 10 days after such determination, to report such price to the appropriate field office of the Office of Price Administration. If the maximum price reported is incorrectly determined or otherwise unreasonable the seller will be required to determine a new maximum price and to file a new report.

The Office of Price Administration has the right at any time for cause to revise the price so reported.

Any seller who under § 1499.4a of the General Maximum Price Regulation has received authorization of the Consumer Goods Division to determine uniform maximum prices pursuant to § 1499.3 (a) for a group of stores under its control in which it has been the practice to charge uniform or substantially uniform prices, shall file his report or reports in accordance with and at the place or places designated in the Order issued by the Office of Price Administration authorizing uniform pricing.

Form GMPR:2

To: Office of Price Administration

From: _____

Name

Address

If report is filed for more than one store indicate here or on attached sheets the stores included or the area covered _____

The undersigned hereby reports its determination, made in accordance with § 1499.3 (a) of the General Maximum Price Regulation, of the maximum price for the commodity described in Item 1 below.

1. Brief description of commodity, for which a maximum price is reported: _____

2. Reasons why price could not be determined on the basis of a same or similar commodity dealt in by the undersigned or a competitive seller during March 1942: _____

3. (a) General classification in which the undersigned classes the commodity for which maximum price is reported _____

(b) Brief description of comparable commodity in this general classification and price range of which the undersigned delivered the largest number of units during March 1942 (referred to herein as "comparable commodity"):

4. The maximum price reported was determined from calculations A, B, and C below, in accordance with instructions printed below:

A. Comparable Commodity:

	Col. (2)	Col. (3)	Col. (4)	Col. (5)
	Unit of pricing	Net replacement cost per unit	Maximum price per unit	Percentage (col. 4 divided by col. 3)
Example: Commodity X.	Each...	\$4.00	\$5.00	125

B. Net cost per unit of commodity for which maximum price is reported _____

C. Maximum price reported per unit _____
(This is to be calculated by multiplying Item 4B by Item 4A, col. 5.)

5. The price reported is a price for sale at retail _____ at wholesale _____ (Check the appropriate designation.)

6. Date price reported became effective _____

CERTIFICATION

I certify that I have read this report, and that all statements made therein are true and correct.

(Sign)

(Address—Post Office, City and State)

(Date)

Pursuant to § 205 (b) of the Emergency Price Control Act of 1942 it is a criminal offense punishable by a fine of not more than \$5000 or by imprisonment for not more than one year, or both, to make any false statement or entry in the above report. This form does not need to be acknowledged before a notary public.

INSTRUCTIONS

The following instructions must be followed in completing this form:

Item 1. Give a brief but complete description of the commodity for which the price is reported. The description should be sufficient to enable any representative of OPA to identify the item. It should include a description of its use, unit, size, packaging, brand name or name of the manufacturer if known, the material of which the item is constructed and any other pertinent information.

Item 2. Indicate how commodity for which price is reported differs from other commodities sold by the seller, or competitive sellers of the same class, during March 1942. If the seller or competitive sellers sold similar, though not identical, items during March, 1942, maximum prices may not be established under § 1499.3 (a) but must be determined under § 1499.2 of the General Maximum Price Regulation.

Item 3. (a) Insert general classification (food, hardware, men's clothing, etc.), in which the seller classes the commodity for which a maximum price is reported.

(b) Insert a brief description of comparable commodity in the same general classification and price range of which the seller delivered the largest number of units during March, 1942. The description should be as complete as under Item 1 above.

Item 4-A. Column 1. Name of comparable commodity.

Column 2. Insert unit of pricing, e. g., pound, quart, garment, dozen, gross, etc.

Column 3. Insert net replacement cost per unit. Net replacement cost shall be net price per unit paid by the seller after May 18, 1942, or the net price which the seller would have to pay to replace the comparable commodity after such date. In no case shall this be higher than suppliers' maximum price.

Column 4. Insert the maximum price per unit established in accordance with § 1499.2 of the General Maximum Price Regulation.

Item 4-B. Insert net cost per unit of commodity for which price is reported.

Item 4-C. Calculate maximum price reported per unit as follows: Multiply unit cost (4-B) by percentage (4-A, Column 5).

Item 5. Indicate whether the price reported in 4-C is a price for sale at wholesale or at retail as defined in § 1499.20, Items (c) and (p) of the General Maximum Price Regulation.

"Net price" (or "net replacement cost") shall be the price paid after deducting all discounts allowed to, and adding transportation and delivery charges paid by the seller filing this form.

Item 6. State the date on which the price was effective for sales to purchasers.

[§ 1490.24 as amended by Am. 19, 7 F.R. 6058, effective 8-6-42]

§ 1490.25 Appendix B: Commodities designated by the Price Administrator as cost-of-living commodities.

[NOTE: For the commodity classifications marked by asterisks, maximum prices may be posted by price lines at the place in the business establishment where the commodities are offered for sale, provided that, in addition, the selling price of each commodity in such classification shall be marked on the commodity itself. See § 1490.13 of this General Maximum Price Regulation.]

TOBACCO, DRUGS, TOILETRIES, AND SUNDRIES

(All brands, grades, and sizes, except where otherwise indicated)

Tobacco:

Cigarettes.
Smoking tobacco, in cans and packages.

Packaged household drugs:

Aspirin tablets.
Milk of magnesia, liquid.
Cod liver oil, liquid.
Epsom salts.
Boric acid.
Castor oil and mineral oil.
Witch-hazel and rubbing alcohol.

Toiletries and sundries:

Hand and toilet soaps.
Dentifrices (paste, powder, and liquid).
Shaving cream.
Tooth brushes.
Sanitary napkins.
Razor blades.
Facial tissues.

Infants' food: All types.

Ice cream: Bulk and packaged.

APPAREL AND YARD GOODS

Men's and boys' clothing:

Suits, business and sport*.
Overcoats, topcoats, and raincoats, business and sport*.

Trousers and slacks, dress, sport, and wash*.

Men's shirts, other than formal*.

Pajamas and nightshirts, cotton, wool, and part wool*.

Shorts, cotton.

Undershirts, cotton knit.

Union suits.

Hosiery, other than pure silk and pure wool*.

Felt hats*.

Work shirts.

Work pants.

Overalls and coveralls.

Sweaters.

Mackinaws*.

Jackets, boys' only*.

Men's work gloves.

Boys' gloves and mittens.

Boys' blouses and shirts.

Boys' snow suits*.

Infants' clothing:

Diapers

Dresses, other than silk.

Shirts.

Binders.

Sleeping garments.

Cots, cotton, wool, part wool.

Snow suits.

Sweaters.

Sunsuits (cotton only).

Women's and girls' clothing:

Cots, untrimmed and fur-trimmed, sport and dress*.

Suits*.

Dresses, street and house*.

APPAREL AND YARD GOODS—Continued

Women's and girls' clothing—Continued.

Hosiery, including anklets*.

Panties and slips*.

Foundation garments and brassieres*.

Women's gloves, children's gloves and mittens*.

Skirts.

Blouses and shirts, tailor, rayon or cotton*.

Sweaters.

Children's jackets*.

Nightgowns and pajamas, other than silk*.

Robes and house coats, flannel and cotton*.

Children's overalls, slacks, sunsuits and shorts (cotton only)*.

Children's snow suits*.

Yard goods:

Cotton yard goods.

Rayon yard goods.

Wool and mixtures of wool.

Footwear:

Street, work, dress, and sport shoes for men, women, and children*.

Infants' shoes.

Rubber footwear.

FOOD AND HOUSEHOLD SUNDRIES

Meat

Fresh beef:

Rib roast.

Chuck steak.

Top round steak.

Rump roast.

Chuck roast.

Beef liver.

Ground round steak.

Pork:

Loin whole roast.

Rib end roast.

Loin end roast.

Best center cut chops.

Bacon.

Ham, whole, half, or sliced.

Salt pork.

Other meat products:

Cooked or smoked ham.

Frankfurters.

Canned Fruits, Vegetables, and Juices

Canned peaches.

Canned pears.

Canned pineapples.

Canned corn.

Canned peas.

Canned tomatoes.

Canned pork and beans.

Canned green beans, cut.

Canned tomato juice.

Canned grapefruit juice.*

Canned pineapple juice.*

Other Groceries and Household Sundries

Canned salmon.

Canned vegetable soup.

Canned tomato soup.

Packaged flour mixes (cake, pancake, biscuit mixes only).

Macaroni and spaghetti, dried, bulk, and packaged.

Rolls oats, bulk and packaged.

Corn flakes.

Bread, all types.

Soda crackers.

Fresh milk and cream.

Lard, bulk and print.

Vegetable shortening.

* Amendment No. 3 to Supplementary Regulation No. 1 excepted "citrus fruits and citrus juices hermetically sealed in containers of metal, glass or any other material" from the General Maximum Price Regulation. Superseded by Sec. 2.3 (c) of Revised Supplementary Regulation No. 1.

FOOD AND HOUSEHOLD SUNDRIES—continued

Other Groceries and Household Sundries—Continued

Sugar, all types, packaged and bulk.

Coffee.

Cocoa.

Table salt.

Corn meal, bulk or packaged.

Rice, bulk or packaged.

Toilet paper.

Soaps (bar, flakes, powder, chips, granular, and cleansing powders).

Paper napkins.

HOUSEHOLD FURNITURE, APPLIANCES, AND FURNISHINGS

Appliances and equipment:

Radios and phonographs.

Vacuum cleaners and carpet sweepers.

Refrigerators and iceboxes.

Washing machines.

Sewing machines.

Stoves and ranges.

Small appliances: Irons, toasters, glass coffee makers, and mixers.

Floor lamps and bridge lamps.

Light bulbs.

Ironing boards.

Step-on cans.

Floor brooms.

China and pottery tableware, in sets.

Cooking utensils (10-quart pail, 2-quart saucepan, 5-quart tea-kettle).

Furniture:

All living room, dining room and bed room suites (sets or individual pieces).

Kitchen tables and chairs.

Studio couches and sofa beds.

Mattresses.

Bedsprings.

Furnishings:

Rugs and carpets, size 6 by 9 feet and larger.

Linoleum.

Felt base floor coverings.

Bed sheets and sheeting, cotton.*

Towels, cotton bathroom and kitchen.*

Blankets and comforts.*

House curtains.*

Bed spreads, cotton.*

Tablecloths and napkins, plain and print (cotton only).*

Window shades.

HARDWARE, AGRICULTURAL SUPPLIES, MISCELLANEOUS¹

Hayforks.

Garden and lawn rakes.

Dirt shovels.

Axes, single bit.

Claw hammers.

Handsaws.

Inside and outside house paints (ready mixed).

Fertilizer, bulk and packaged.

Insecticides.

Bicycles, adult sizes.

Bicycle tires.

Flashlights.

ICE, FUEL AND AUTOMOTIVE

Ice.

Coke.

Coal (hard and soft).

Charcoal.

Firewood.

Kerosene.

Fuel oil.

Gasoline.

Oil.

Tires* and inner tubes.

¹ Vegetable seeds, bulk and packaged, revoked by Am. No. 4, 7 F.R. 4339, effective 6-5-42.

APPENDIX C—REPORT OF MAXIMUM PRICE DETERMINED UNDER § 1499.3 (b)—Continued
COMPARABLE ARTICLE FOR WHICH A MAXIMUM PRICE HAS BEEN ESTABLISHED—Continued

18. Total unit direct labor cost of comparable article.-----
19. Total unit direct cost (Item 17 plus Item 18).-----
20. Maximum selling price of comparable article.-----
21. Comparable article: Selling price as a percent of direct cost (Item 20 divided by Item 19).-----
22. Maximum selling price of the new article (Item 9 multiplied by Item 21).-----
23. Estimated production of the new article per month (Number of units).-----
24. Past 3 months' production of comparable article (Number of units).-----
25. Value in dollars of past 3 months' production of entire business or plant which is to be engaged in production of new article.-----

I hereby certify that I am the owner of the company whose name appears on this report or that I am authorized to make this report on behalf of the company; that I have read this report and that all of the statements and figures contained in this report are, to the best of my knowledge and belief, correct. I further certify that this company is to the best of my knowledge and belief in full compliance with regulations of the Office of Price Administration and that this company's customary price differentials and/or discounts allowed on the comparable article herein defined will be allowed on sales of the commodity for which a price is here reported.

By _____
(Company)

(Name)

(Title)

Section 35 (A) of the U. S. Criminal Code, 18 U. S. C. A. 80, makes it a criminal offense to make a false statement or representation to any department or agency of the United States as to any matter within the jurisdiction of any department or agency of the United States.

INSTRUCTIONS

This form is to be used by manufacturers for pricing new articles subject to the General Maximum Price Regulation which cannot be priced under section 1499.2, OMPR. It is not to be used for pricing of new articles of:

- Consumers' durable goods, which are priced under MPR 188.
Building materials, which are priced under MPR 188.
Rubber products, which are priced under MPR 220.
Rubber drug sundries, which are priced under MPR 300.
Cotton products, which are priced under MPR 118.
Machines and parts, which are priced under MPR 136.
Packaged drugs, which are priced under MPR 392.
Packaged cosmetics, which are priced under MPR 393.
Mixed fertilizers, which are priced under MPR 135.

or other articles the manufacturers' prices of which are covered by specific Maximum Price Regulations (other than the General Maximum Price Regulation). Furthermore this form is not to be used in the pricing of new commodities whose prices or pricing methods have been established by orders issued under the old form of section 1499.3 (b) of the General Maximum Price Regulation such as Order No. 260 (Insecticides and Fungicides) and Order No. 375 (Processed Foods), or are established under section 1499.3 (b) (3).

(Above sentence amended by Am. 55, 8 P.R. 8511, 9423, effective 6-17-43.)

Answer all questions. Your report must be formally complete before the price can legally be considered for authorization. Read the instructions below before filling out the form. Numbers at the left correspond to item numbers in the form.

3. Give physical name of the new article (hair tonic, men's shoes, etc.) and model or list name or number.
5. Give the unit of production used in the calculations (one, one dozen, one gross, etc.). Must be the same for both articles.
6. List the information required for all raw materials which, combined, make up a minimum of 90 percent of the total materials cost of the new article. List the same information for the remainder in (g). If additional space is necessary, attach a supplementary sheet to the report.

APPENDIX C—REPORT OF MAXIMUM PRICE DETERMINED UNDER § 1499.3 (b)
OPA Form No. 6812-277

Form Approved
Judges Bureau No. 08-R430

UNITED STATES OF AMERICA
OFFICE OF PRICE ADMINISTRATION
WASHINGTON, D. C.

(Report of determination, under § 1499.3 (b) of the General Maximum Price Regulation, of a maximum price for sales other than at wholesale or retail for a new article which cannot be priced under § 1499.2.)

1. Name of manufacturer.-----
2. Address: (Street) (City) (State)
3. Name of article being priced.-----
4. Description of article being priced (also send sample, illustration, or photograph)
5. Unit of production used in the calculations.-----

NEW ARTICLE BEING PRICED

6. Major materials and parts used in the product:

	Quality, grade and specifica- tions	Current cost per doz. gal. etc.	Quantity used per unit of product	Current cost per unit of product
(a) Name of material		\$		\$
(b)				
(c)				
(d)				
(e)				
(f)				
(g) All materials except those listed above.				
7. Total unit material cost.				\$
8. Total unit direct labor cost.				\$
9. Total unit direct cost (Item 7 plus Item 8).				\$

COMPARABLE ARTICLE FOR WHICH A MAXIMUM PRICE HAS BEEN ESTABLISHED

10. Name of comparable article.-----
11. Catalog number of comparable article.-----
12. Description of comparable article (also send sample, illustration or photograph).-----
13. Difference in principal uses for which new article and comparable article are made.-----
14. Give reasons for development of the new article, whether because of material shortages or limitations, import restrictions, or any other reasons.-----
15. In what way does the manufacturing process for the new article differ from that used for the comparable article?-----
16. Major materials and parts used in the comparable product:

	Quality, grade and specifica- tions	Current cost per doz. gal. etc.	Quantity used per unit of product	Current cost per unit of product
(a) Name of material		\$		\$
(b)				
(c)				
(d)				
(e)				
(f)				
(g) All materials except those listed above.				
17. Total unit material cost of comparable article.				\$

APPENDIX C—REPORT OF MAXIMUM PRICE DETERMINED UNDER § 1499.3 (b).—Continued

INSTRUCTIONS—continued

7. Give the total of all entries under Item 6. If semifinished or finished parts purchased from other firms are used, the numbers of parts included in each unit of the article, the price paid per part and the names of the suppliers are to be attached to the report. All material costs are to be your supplier's maximum prices unless current prices charged by your supplier to purchasers of your class are lower. In such case these shall apply.
8. Give the total wage bill paid per unit of product for manual labor expended directly in the production of the article. This total must not include inspection, instruction, or other indirect labor, or factory burden. If necessary for a clear understanding, a breakdown of this item should be attached to the report. In computing unit direct labor cost, use the current wage rates for each class of labor. Wage rates may not be higher than those of Oct. 3, 1942 unless approved by the War Labor Board.
10. Select from the comparable articles being produced by you, and for which maximum prices have already been established, that comparable article whose direct unit cost is nearest that of the article being priced.
11. Give catalog or list number and model name or number. If a catalog is not now on file with the OPA containing a full description of the article, such a catalog or description of the article must accompany the report.
16. Same instructions as 6, above.
17. Give the total of all entries under Item 16. Costs shall be determined as under instruction 7, above.

16. Same instructions as 8, above.

20. State here the maximum price now charged that class of customer to which you expect to sell the largest volume of the new article. This may be lower than the highest price you are now permitted to charge some customers. If the comparable article now has an established maximum price based on a different class of customer, this price must be appropriately adjusted to the class of customer for which the price of the new article is being determined.

[NOTE: Supplementary Order No. 76 (8 F.R. 14011) provides that the Price Administrator may authorize service suppliers subject to the General Maximum Price Regulation and Maximum Price Regulations Nos. 134, 136, 165, 246 and 251, to apply the provisions of one regulation to services supplied by him which are subject to two or more of the above regulations; and gives the procedure for filing application for such authorization.]

NOTE: The reporting and record keeping requirements of this regulation have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

Issued this 1st day of February 1944.

CHESTER BOWLES,
Administrator.

[F. R. Doc. 44-1612; Filed, February 2, 1944; 9:12 a. m.]

PART 1340—FUEL

[MPR 120, Amdt. 83]

BITUMINOUS COAL DELIVERED FROM MINE OR PREPARATION PLANT

A statement of the considerations involved in the issuance of this amendment issued simultaneously herewith has been filed with the Division of the Federal Register.*

*Copies may be obtained from the Office of Price Administration.

18 F.R. 14500, 15256, 15455, 16280, 16419, 16738, 16998.

Maximum Price Regulation No. 120 is amended in the following respects:
Section 1340.213 is amended to read as follows:

§ 1340.213 Appendix B: Maximum prices for bituminous coal produced in District No. 2. (a) The maximum prices set forth in paragraph (b) of this section are subject to the maximum price instructions provided in § 1340.210. (b) The following maximum prices are established in cents per ton of 2,000 pounds f. o. b. transportation facilities at the mine or preparation plant from which delivery is made:

(1) Underground mines.—(i) Maximum prices for coals produced at underground mines with the following designated price classifications. These prices are for shipment to all destinations by all methods of transportation, except by truck or wagon, and for all uses, except all railroad fuel uses and smithing coal.

Price classification	PRICES AND SIZE GROUP NUMBERS				
	1, 2—lump and double screened coals bottom size larger than 2"	3, 4, 5—lump and double screened coals bottom size 2" and smaller	6—mine run and result: size larger than 2"	7, 8—screenings larger than 2", not exceeding 2"	9, 10—screenings larger than 2", not exceeding 2"
A	355	355	355	355	355
B	355	355	355	355	355
C	355	355	355	355	355
D	355	355	355	355	355
E	355	355	355	355	355
F	355	355	355	355	355
G	355	355	355	355	355
H	355	355	355	355	355
I	355	355	355	355	355
J	355	355	355	355	355
K	355	355	355	355	355
L	355	355	355	355	355
M	355	355	355	355	355
N	355	355	355	355	355
O	355	355	355	355	355
P	355	355	355	355	355
Q	355	355	355	355	355
R	355	355	355	355	355
S	355	355	355	355	355
T	355	355	355	355	355
U	355	355	355	355	355
V	355	355	355	355	355
W	355	355	355	355	355
X	355	355	355	355	355
Y	355	355	355	355	355
Z	355	355	355	355	355

(ii) The maximum prices for coals for all railroad fuel uses shall be the maximum price for the grade and size shipped as set forth in (i) above; or the applicable effective minimum price as of October 1, 1942 for railroad fuel use for all-rail shipment, plus 75 cents per net ton, whichever is higher.

(iii) The maximum price for smithing coal shall be 455 cents per net ton.

(2) Strip mines. The maximum price for coals produced at any mine by the stripping method shall be the same as that for the grade, size and use of the coal shipped as set forth in subdivisions (i) and (ii) of this paragraph (b) (1) minus 25 cents per net ton.

(3) Special price instructions. (i) An underground mine is one which takes its coal entirely from underground seams from which the overburden is not removed and is not a mine taking any coal from the ground by the stripping method.

(ii) A strip mine is one producing coal by the stripping method and taking its entire production from the ground after removing all overburden.

(iii) If coals from an underground mine and from a strip mine are mixed, the maximum price for the mixture shall be the weighted average of the maximum prices for each of the mixed coals; the calculation shall be made in a reasonable manner on a per net ton basis.

(4) Specific descriptions of size group numbers referred to in subparagraph (1) of this paragraph (b).

Size Group Numbers:

1 and 2----- All single-screened lump coals and double-screened egg coals with bottom size larger than 2".

3 and 4----- All single-screened lump coals with a bottom size 2" and smaller, and all double-screened coals with a bottom size 2" and smaller, and top size larger than 2".

5----- All double-screened, nut, pea and stoker coals with a top size not exceeding 2".

6----- Straight mine run, all mine run residuals larger than 2", and any mine run altered by the removal of any intermediate size.

7 and 8----- Screenings larger than 2", not exceeding 2" x 0.

9 and 10----- Screenings, top size not exceeding 2" x 0.

(5) Maximum prices for shipment by truck or wagon to all destinations for all uses.

PRICES AND SIZE GROUP NUMBERS

Coals produced at all mines in the following counties	Price group No.	1, 2, 3—lump and double-screened coals bottom size larger than 2"	4—lump and double-screened coals bottom size larger than 1½" but not exceeding 2"	5, 6, 7—lump bottom size 1½" and smaller and double-screened coals top size not exceeding 2"	8—mine run and resultants larger than 2"	9, 10—screenings larger than ¾" but not exceeding 2"	11—screenings ¾" and smaller
Allegheny	5	425	399	399	325	285	270
Exception: Mine Index No. 221.....	5	430	405	390	330	305	280
Armstrong	10	395	365	399	295	275	255
Beaver	4	415	400	375	305	285	215
Exception: Mine Index Nos. 850.....	4	600	400	420	360	380	315
101.....	4						
122.....	4						
141.....	4						
1180.....	4						
1620.....	4						
Butler	7	435	415	405	320	290	270
Exception: Mine Index No. 84.....	7	450	415	405	320	290	270
Crawford	1	465	440	435	370	280	265
Fayette	7	415	385	375	310	280	265
Greene	11	360	360	340	290	260	230
Indiana	2	395	365	355	300	280	290
Lawrence							
Meigs	2	435	400	395	320	285	240
Menango							
Washington	8	425	385	375	325	290	255
Westmoreland	8	415	395	395	305	285	255

(6) Specific descriptions of size group numbers referred to in subparagraph (3) of this paragraph (b).

Size Group Nos.	Description
1 to 8, incl.	All single-screened lump coals and all double-screened egg coals with a bottom size larger than 2".
4	All single-screened lump coals bottom size larger than 1½" but not exceeding 2", and all double-screened egg coals, bottom size larger than 1½" but not exceeding 2", and top size larger than 5".
5 to 7, incl.	All single-screened lump coals, bottom size 1½" and smaller, all forked coals, all double-screened egg coals, bottom size larger than 1½" but not exceeding 2", and top size larger than 2" but not exceeding 5", all double-screened egg coals, bottom size 1½" and smaller and top size larger than 4", all double-screened nut, pea and stoker coals, top size not exceeding 2".
8	Straight mine run, all mine run resultants larger than 2", and any mine run altered by the removal of any intermediate size.
9 and 10	Screenings, larger than ¾" x 0 but not exceeding 2" x 0.
11	Screenings, top size, not exceeding ¾".

(7) A charge of no more than 10 cents per net ton may be made for a chemical, oil or waxing treatment to allay dust or to prevent freezing.

This amendment shall become effective February 3, 1944.

(56 Stat. 23, 765; Pub. Law 151, 78th Cong.; E.O. 9250, 7 F.R. 7871; E.O. 9328, 7 F.R. 4681)

Issued this 1st day of February 1944.

CHESTER BOWLES,
Administrator.

[F. R. Doc. 44-1613; Filed, February 2, 1944; 9:11 a. m.]

PART 1419—EXPLOSIVES

[RMFR 191, Amdt. 2]

COTTON LINTERS AND HULL FIBERS

A statement of the considerations involved in the issuance of this amendment, issued simultaneously herewith, has been filed with the Division of the Federal Register.*

Section 9 (a) is amended by changing the definitions of "chemical cotton linters" and "free cotton linters" to read as follows:

"Chemical cotton linters" means linters sold on the basis of cellulose content as determined by chemical analysis.

"Free cotton linters" means linters which are not sold on the basis of cellulose content but are sold according to the grades set forth in Appendix B of this regulation.

This amendment shall become effective February 1, 1944.

(56 Stat. 23, 765; Pub. Law 151, 78th Cong.; E.O. 9250, 7 F.R. 7871; E.O. 9328, 8 F.R. 4681)

Issued this 1st day of February 1944.

CHESTER BOWLES,
Administrator.

[F. R. Doc. 44-1215; Filed, February 2, 1944; 9:11 a. m.]

*Copies may be obtained from the Office of Price Administration.

12 F.R. 1248, 1263.

PART 1315—RUBBER AND PRODUCTS AND MATERIALS OF WHICH RUBBER IS A COMPONENT

[RO 1A, Amdt. 68]

TIRES, TUBES, RECAPPING AND CAMELBACK

A rationale for this amendment has been issued simultaneously herewith and has been filed with the Division of the Federal Register.*

Ration Order No. 1A is amended in the following respects:

1. Section 1315.201 (a) (2) is amended to read as follows:

(2) "Board" means a War Price and Rationing Board, or a Plant Area Board designated to serve workers in specified plants or establishments, or other Boards designated to serve consumers in specified areas. The provisions of this order applicable to Boards shall also apply to Plant Area Panels to the extent of the panel's jurisdiction as limited in accordance with administrative orders of the Office of Price Administration relating to the organization and operation of Boards and panels.

2. Section 1315.201 (a) (44) is amended by striking out the phrase "war price and rationing".

3. The headnote of § 1315.303 is amended to read as follows: "§ 1315.303 Jurisdiction of Boards other than War Price and Rationing Boards."

4. Section 1315.303 (a) is amended to read as follows:

(a) Plant Area Boards and Plant Area Panels. A Plant Area Board or a Plant Area Panel shall have such jurisdiction to receive and act upon applications for tires or new tubes as may be delegated to it in accordance with administrative orders issued by the Office of Price Administration relating to the organization and operation of Boards and panels.

18 F.R. 9752, 10079, 10685.

6. Section 1315.505 (a) (15) is amended to read as follows:

(15) To transport persons to and from funerals, or as a hearse.

6. Section 1315.505 (c) is added to read as follows:

(c) *Replacement of recappable tire carcass.* An applicant who is eligible for a tire under § 1315.505 (a) or (b) may be granted a certificate for a used truck tire or a Grade III tire in any area where recapping facilities are unavailable or inadequate, upon turning in a recappable tire carcass.

7. Section 1315.603 (b) is amended by adding after the third sentence appearing therein the following sentence: "A copy of this form shall be retained as a record by the dealer or manufacturer to whom the tires are turned in by the applicant."

8. Section 1315.603 (d) is amended by adding the words "or manufacturer" after the word "dealer".

9. Section 1315.804 (c) (3) is amended by adding two lines to the replenishment table as follows:

If Part B calls for: Any size implement or tractor tube.	<i>Dealer or manufacturer may replenish with—</i> Any size new implement, tractor, truck, passenger or industrial-type tube.
Any type of tube.	Any size new implement, tractor, truck, passenger or industrial-type tube.

10. Section 1315.804 (j) (6) is amended by inserting the phrase "prior to March 1, 1944" after the word "dealer" in the second sentence.

11. Section 1315.806 (a) (3) is amended by deleting the phrase "or manufacturer".

12. Section 1315.806 (d) is amended to read as follows:

(d) *Transfers for repair, mounting or inspection.* A person may, without certificate, temporarily transfer tires or tubes to a dealer or manufacturer or to any person engaged in the business of repairing tires or tubes for purposes of inspection, mounting or repair only, and may, without certificate, acquire such tires or tubes after such mounting, repair or inspection.

13. Section 1315.901 (f) is amended by deleting the phrase "in his possession or control".

14. Section 1315.1009 is revoked.
This amendment shall become effective February 7, 1944.

(Pub. Law 671, 76th Cong., as amended by Pub. Laws 89, 421, and 507, 77th Cong.; E.O. 9125, 7 F.R. 2719, issued April 7, 1942; WPB Dir. No. 1, 7 F.R. 562; Supp. Dir. No. 1Q, 7 F.R. 9121.)

Issued this 2d day of February 1944.

CHESTER BOWLES,
Administrator.

[F. R. Doc. 44-1641; Filed, February 2, 1944; 12:00 m.]

PART 1394—RATIONING OF FUEL AND FUEL PRODUCTS

[RO 5C, Amdt. 102]

MILEAGE RATIONING: GASOLINE REGULATIONS

A rationale accompanying this amendment, issued simultaneously herewith, has been filed with the Division of the Federal Register.*

Ration Order 5C is amended in the following respects:

1. Section 1394.7851 (b) (1) (ii) is amended to read as follows:

(ii) To move such a vehicle or boat in connection with a bona fide change of the regular place of residence of the person entitled to the use thereof; or to return such a vehicle or boat to the regular place of residence of the person entitled to the use thereof on December 1, 1942. If such vehicle or boat has been continuously away from such place of residence since that date, except that if such place of residence and such vehicle or boat were, on December 1, 1942, within the limitation area, no such ration shall be issued unless such vehicle or boat has been continuously away from the regular place of residence of the person entitled to the use thereof since August 22, 1942.

However, no special ration for use with such a motor vehicle shall be issued under this subdivision unless any outstanding supplemental ration issued for use with such vehicle is first surrendered to the Board to which application for the special ration is made. If a currently valid supplemental ration is surrendered, the Board may include in the special ration an allowance of gasoline for occupational mileage sufficient to cover the applicant's occupational driving requirements for the period between the date of issuance of the special ration and the change of residence. In such a case, the Board shall not allow gasoline for occupational mileage in excess of the proportionate amount of gasoline allowed to the applicant for that period on the basis of such supplemental ration or in excess of the amount of gasoline represented by the surrendered portion of such ration.

2. Section 1394.7851 (d) is added to read as follows:

(d) If application is made for a special ration for use with a motor vehicle for which a tire inspection record is required to be outstanding, the applicant shall present to the Board the tire inspection record for the vehicle for which the ration is sought.

3. Section 1394.7852 (b) (2) is amended by adding the following provisions:

If a tire inspection record is required to be presented pursuant to § 1394.7851 (d), he shall write on such record the following information:

- (i) The date of issuance.
- (ii) The purpose for which the ration is issued.

*Copies may be obtained from the Office of Price Administration.

- (iii) The gallonage allowed.
- (iv) The designation of the issuing Board.

4. Section 1394.8002 (a) is amended by substituting for the reference "§ 1394.7851 (b) (1) and (2); 1394.7855 or 1394.7856," the reference "§ 1394.7855 or § 1394.7856."

5. Section 1394.8002 (b) is amended by deleting the parenthetical phrase "(or the registrar)".

6. In § 1394.8010 the text preceding paragraph (a) is amended by inserting after the words "that odometer readings have been taken" the phrase, "if the vehicle carries an odometer."

This amendment shall become effective February 7, 1944.

NOTE: The reporting requirements of this amendment have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

(Pub. Law 671, 76th Cong.; as amended by Pub. Laws 89, 421, and 507, 77th Cong.; W.P.B. Dir. No. 1, Supp. Dir. No. 1Q, 7 F.R. 562, 9121, E.O. 9125, 7 F.R. 2719)

Issued this 2d day of February 1944.

CHESTER BOWLES,
Administrator.

[F. R. Doc. 44-1638; Filed, February 2, 1944; 12:00 m.]

PART 1407—RATIONING OF FOOD AND FOOD PRODUCTS

[Rev. RO 13, Amdt. 6]

PROCESSED FOODS

A rationale for this amendment has been issued simultaneously herewith and has been filed with the Division of the Federal Register.*

Section 6.6 (j) is added to read as follows:

(j) *Industrial users may apply for an increased allotment for first allotment period of 1944 to be charged as an advance against future allotments.* (1) An industrial user may apply at any time before March 16, 1944 for an increase in his allotment for the first allotment period of 1944 to be charged as an advance against his future allotments. The application must be made on OPA Form R-315 to the board with which he is registered, but not before he applies for his regular allotment for the first allotment period of 1944. The industrial user must give the following information in the application:

(i) The amount of the increase requested; and

(ii) The amount of his allotment for the first allotment period of 1944.

(2) The board shall grant the application if it complies with the requirements of subparagraph (1). The increase in allotment granted to the industrial user shall not exceed 100% of his regular allotment for the first allotment period of 1944. (Paragraph (d) of this section applies in determining whether an industrial user who receives an in-

* 9 F.R. 3.

crease in allotment under this paragraph is entitled to a certificate, and determining the amount of the certificate.)

(3) Any certificate issued or increase in allotment granted to an industrial user under this paragraph may be used only for the purpose of acquiring and using frozen processed foods at his industrial user establishment.

(4) Any increase in allotment granted to an industrial user under this paragraph shall be charged against the industrial user's future allotments. The amount of the increase shall be deducted from his allotment for the second allotment period of 1944. If the amount of the increase exceeds the amount of his allotment for the second allotment period of 1944, the excess shall be deducted from his subsequent allotments, and no allotment for any 1944 allotment period may be issued to him until the amount of the increase has been deducted in this way.

This amendment shall become effective February 7, 1944.

NOTE: All reporting and record-keeping requirements of the amendment have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

(Pub. Law 671, 76th Cong., as amended by Pub. Laws 89, 421, 507 and 729, 77th Cong.; E.O. 9125, 7 F.R. 2719; E.O. 9280, 7 F.R. 10179; WPB Directive 1, 7 F.R. 562; Food Directive 3, 8 F.R. 2005, and Food Directive 5, 8 F.R. 2251)

Issued this 2d day of February 1944.

CHESTER BOWLES,
Administrator.

[F. R. Doc. 44-1642; Filed, February 2, 1944;
12:01 p. m.]

PART 1418—TERRITORIES AND POSSESSIONS

[MPR 395, Amdt. 11]

MAXIMUM PRICES IN THE VIRGIN ISLANDS OF THE UNITED STATES

A statement of the considerations involved in the issuance of this amendment, issued simultaneously herewith, has been filed with the Division of the Federal Register.*

Maximum Price Regulation 395 is amended in the following respects:

1. Section 22, Table IX, item 10, is amended by adding the phrase "originating in the continental United States" after the words "Turkeys, hard chilled, dressed but not eviscerated, Grade B, old and young."

2. Section 23, Table XI, item 1, is amended by adding the phrase "adjusted for shrinkage only" after the words "1 lb." in the quantity column.

*Copies may be obtained from the Office of Price Administration.

8 F.R. 6621, 8873, 9996, 11438, 12661, 13345, 14544.

3. Section 30 is amended to read as follows:

Sec. 30. *Maximum prices for locally produced poultry and poultry imported from the West Indies—(a) Commodities and transactions governed by this regulation.* (1) This regulation applies to wholesale and retail sales and deliveries of chickens, ducks, geese, guinea fowl, squabs and turkeys, including live, dressed, drawn, when locally produced or imported from the West Indies, except as noted in paragraph (a) (2) below.

(2) This regulation specifically exempts from price control by the Office of Price Administration the following poultry, if sold or delivered in the Virgin Islands of the United States:

Breeding poultry sold by producers to buyers other than food dealers or consumers, when locally produced or imported from the West Indies.

Day-old and baby chickens, nestlings and fledglings of ducks, geese, guinea fowl and turkeys, when locally produced or imported from the West Indies.

All pigeons except squabs as defined in paragraph (b) (5) below.

Undomesticated game fowl (not including guinea fowl) and wild water fowl.

Fighting cock (gamecock).

(3) The prices of poultry and poultry products not specifically covered in paragraph (a) (1) or exempted in paragraph (a) (2) are, subject to any applicable regulation or order issued or which shall be issued by the Office of Price Administration. This regulation withdraws from Maximum Price Regulation No. 201 poultry imported from the West Indies; but Maximum Price Regulation No. 201 governs poultry imported from any other place, if the commodity is subject to price regulation in the continental United States, and section 22 of Maximum Price Regulation 395 governs turkeys, hard chilled, dressed but not eviscerated, Grade B, old and young originating in the continental United States.

(b) *Definitions.* (1) "Locally produced poultry" means poultry raised within the Virgin Islands of the United States to the stage at which the poultry is sold or delivered to a seller at wholesale or at retail or to a final consumer, regardless of where the poultry was originally hatched.

(2) Poultry "raised in accordance with modern commercial poultry raising methods" means poultry systematically raised in accordance with modern hygienic and sanitary standards of high quality and fed strictly on commercial feeds.

(3) "Dressed" poultry means poultry which has been killed and plucked. It may or may not have been bled.

(4) "Drawn poultry" means dressed poultry from which the entrails have been removed without contamination of the body cavity.

(5) "Squab" means any pigeon, except a homing pigeon intended to be raised for its flying habits, which is an unfledged nestling.

(c) *Maximum retail prices, live weight.* The maximum retail prices, live weight, for certain kinds of poultry sold or delivered in the Virgin Islands of

the United States shall be the pertinent price set forth in the following Table XVI.

TABLE XVI—RETAIL POULTRY PRICES, LIVE WEIGHT
A. PRICES FOR SALES AND DELIVERIES IN THE MUNICIPALITY OF ST. CROIX

Commodity	Unit	Maximum price, live weight
Chickens, raised in accordance with modern commercial poultry raising methods:		
Fryers and broilers.....	1 lb.....	\$0.50
Roasters, including hens, roosters and stags.....	1 lb.....	.45
Capon.....	1 lb.....	.55
Chickens, not raised in accordance with modern commercial poultry raising methods:		
Ducks.....	1 lb.....	.35
Geese.....	1 lb.....	.40
Guinea fowl.....	1 lb.....	.50
Squabs.....	Pair.....	.50
Turkeys.....	1 lb.....	.50

B. PRICES FOR SALES AND DELIVERIES IN THE MUNICIPALITY OF ST. THOMAS AND ST. JOHN

Commodity	Unit	Maximum price, live weight
Chickens:		
Fryers and broilers.....	1 lb.....	\$0.55
Roasters, including hens, roosters and stags.....	1 lb.....	.50
Capon.....	1 lb.....	.60
Ducks.....	1 lb.....	.50
Geese.....	1 lb.....	.60
Guinea fowl.....	1 lb.....	.60
Squabs.....	Pair.....	.60
Turkeys.....	1 lb.....	.60

(d) *Service charges for dressing.* The seller may add a service charge not in excess of ten cents per head for dressing chickens, ducks, geese, guinea fowl and turkeys. The charge for dressing squabs may not exceed ten cents per pair.

(e) *Maximum prices at wholesale.* The maximum wholesale price is subject to agreement between buyer and seller, but in no event may exceed the corresponding maximum retail price including, if applicable, the charge for dressing.

(f) *Prices for dressed and drawn poultry and for chilled or frozen poultry sold on the basis of dressed weight.* Any person offering for sale dressed and drawn poultry or chilled or frozen poultry priced on the basis of dressed weight shall apply to the Territorial Director for the Virgin Islands for authorization of his maximum price. The Territorial Director may by order authorize a price, and may require such pertinent information from the seller as will assist him in establishing the price.

The price authorized by the Territorial Director shall be subject to adjustment at any time by the Administrator for the Ninth Region.

Any seller who objects to an authorized or adjusted price may obtain review as provided in Revised Procedural Regulation No. 7 issued by the Office of Price Administration.

This amendment shall become effective February 8, 1944.

(56 Stat. 23, 765; Pub. Law 151, 78th Cong.; E.O. 9250, 7 F.R. 7871; E.O. 9328, 8 F.R. 4681)

Issued this 2d day of February 1944.

CHESTER BOWLES,
Administrator.

[F. R. Doc. 44-1640; Filed, February 2, 1944;
12:00 m.]

PART 1499—COMMODITIES AND SERVICES

[Rev. SR 14 to GMPR, Amdt. 89]

COMPRESSED GAS CYLINDER DEMURRAGE

A statement of the considerations involved in the issuance of this amendment, issued simultaneously herewith, has been filed with the Division of the Federal Register.*

Section 4.20 is added to read as follows:

SEC. 4.20 *Compressed gas cylinder demurrage.* (a) Notwithstanding any other provision of the General Maximum Price Regulation, a seller of a compressed gas who is lawfully required by his supplier to pay demurrage on a compressed gas cylinder may require his purchasers to pay demurrage on such cylinder in the same amount on the same terms as are lawfully imposed on the seller by his supplier.

(1) Any seller who institutes or modifies a cylinder demurrage charge under this paragraph (a) shall, with or prior to the first delivery to each buyer which is subject to such demurrage charge, furnish such buyer with a written notice containing the following:

(i) A full statement as to the amount of and the conditions governing the demurrage charge.

(ii) A statement that the demurrage charge is instituted under the provisions of section 4.20 of Revised Supplementary Regulation No. 14 to the General Maximum Price Regulation together with a copy of this paragraph (a).

(2) Any reseller of a compressed gas who receives from his supplier the notice required by subparagraph (1) shall, so long as the Emergency Price Control Act of 1942, as amended, remained in effect, retain such notice for inspection by the Office of Price Administration or any buyer during ordinary business hours.

(b) Where the seller of a compressed gas who owns the cylinders in which it is sold may not, under the provisions of the General Maximum Price Regulation, impose any cylinder demurrage charge on sales of such compressed gas to a class of purchasers, he may, on approval of the Office of Price Administration, institute a cylinder demurrage charge on sales of such compressed gas to that class of purchasers which is of an amount and subject to such conditions as are in line with those in effect by competitive sellers of such compressed gas to purchasers of the same class.

(1) A written application for approval of such a demurrage charge and the conditions governing the same shall be made in writing to the appropriate field office of the Office of Price Administration. Such application shall show:

*Copies may be obtained from the Office of Price Administration.

No. 24—8

(i) The compressed gas and the class of purchasers to whom it is proposed to institute a cylinder demurrage charge.

(ii) The proposed demurrage charge and proposed conditions to govern the same.

(iii) The names and addresses of the nearest three competitive sellers of such compressed gas, and the cylinder demurrage charges and governing conditions imposed by such sellers on sales of such compressed gas to purchasers of the same class. Where the applicant is unable to furnish the information as to the cylinder demurrage charges and governing conditions imposed by such sellers and so certifies, he may omit this information.

(2) The proposed demurrage charges and governing conditions shall be considered as approved unless the Office of Price Administration specifically disapproves them within thirty days after the application is mailed. They shall be subject to adjustment at any time by the Office of Price Administration.

(3) Any regional office of the Office of Price Administration, or such other offices as may be authorized by order issued by the appropriate regional offices, may approve, disapprove, and make adjustments in demurrage charges and governing conditions reported under this paragraph (b).

(4) Any seller who institutes a cylinder demurrage charge under this paragraph (b) shall, with or prior to the first delivery to each buyer which is subject to such demurrage charge, furnish such buyer with the written notice specified in paragraph (a) (1). Any reseller of a compressed gas who receives such notice from his supplier shall, so long as the Emergency Price Control Act of 1942, as amended, remains in effect retain such notice for inspection by the Office of Price Administration or any buyer during ordinary business hours.

This amendment shall become effective February 8, 1944.

NOTE: The record-keeping and reporting requirements of this amendment have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

(56 Stat. 23, 765; Pub. Law 151, 78th Cong.; E.O. 9250, 7 F.R. 7871; E.O. 9328, 8 F.R. 4681)

Issued this 2d day of February 1944.

CHESTER BOWLES,
Administrator.

[F. R. Doc. 44-1638; Filed, February 2, 1944;
12:00 m.]

TITLE 49—TRANSPORTATION AND RAILROADS

Chapter I—Interstate Commerce Commission.

PART 95—CAR SERVICE

[S. O. 179]

UNLOADING OF MATERIAL AT ST. LOUIS, MO., FOR SIGNAL CORPS

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 1st day of February, A. D. 1944.

It appearing, that two (2) cars, CN 472301 and RI 262842, loaded with material for the Philadelphia Signal Corps of the United States Army have been on hand since December 24 and 27, 1943, respectively, on the Manufacturers Railway Company at St. Louis, Missouri, and that the delay in moving or unloading said cars is impeding their use; in the opinion of the Commission an emergency exists requiring immediate action:

It is ordered, That:

§ 55.329 *Material at St. Louis, Missouri, for Signal Corps to be unloaded.* The Manufacturers Railway Company, a common carrier subject to the Interstate Commerce Act, and its agents or employees shall unload forthwith CN 472301 and RI 262842 on hand at St. Louis, Missouri, on the said railway loaded with material consigned, or to be consigned, to the Philadelphia Signal Corps of the United States Army. (40 Stat. 101, Sec. 402, 41 Stat. 476, Sec. 4, 54 Stat. 901; 49 U.S.C. 1 (10)-(17))

It is further ordered, That this order shall become effective immediately; that a copy of this order and direction shall be served upon the Manufacturers Railway Company and upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and that notice of this order be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

By the Commission, Division 3.

[SEAL]

W. P. BARTEL,
Secretary.

[F. R. Doc. 44-1637; Filed, February 2, 1944;
11:43 a. m.]

Notices

DEPARTMENT OF THE INTERIOR.

Coal Mines Administration.

[Order CMA-18]

BOARDMAN COAL MINING CO.

ORDER TERMINATING GOVERNMENT POSSESSION

I have been advised that the coal mines of the mining companies listed in Appendix A have a daily production of less than fifty tons. Based on such advice, and after consideration of all the circumstances, I find that possession by the Government of such mines is not required for the furtherance of the war program.

Accordingly, I order and direct that the possession by the Government of the mines of the mining companies listed in Appendix A, which is attached hereto and made a part hereof, including any and all real and personal property, franchises, rights, facilities, funds, and other assets used in connection with the operation of such mines, be, and they are hereby, terminated and that there be conspicuously displayed at those mining properties copies of a poster to be supplied by the Coal Mines Administration and reading as follows:

NOTICE

Government possession and control of the coal mines of this mining company have been terminated by order of the Secretary of the Interior.

Provided, however, That nothing contained herein shall be deemed to preclude the Government from requiring the submission of information relating to operations during the period of Government possession and control as provided in section 40 of the Regulations for the Operation of Coal Mines under Government Control, as amended (8 F.R. 6655, 10712, 11344), for the purpose of ascertaining the existence and amount of any claims against the United States so that the administration of the provisions of Executive Order No. 9393 (8 F.R. 14877) may be concluded in an orderly manner.

ABE FORTAS,

Acting Secretary of the Interior.

FEBRUARY 1, 1944.

APPENDIX A

Name of Mining Company and Address

1. Boardman Coal Mining Company, Clearfield, Pa.
2. Potts Run Coal Company, Clearfield, Pa.
3. Roys Smithing Coal Company, Somerset, Pa.

[F. R. Doc. 44-1628; Filed, February 2, 1944; 9:37 a. m.]

OFFICE OF PRICE ADMINISTRATION.

[Order 33 Under RMPR 148, Amdt. 5]

DRESSED HOGS AND WHOLESALE PORK CUTS

ARIZONA DESIGNATED AS CRITICAL AREA

The second paragraph of Order No. 33 under Revised Maximum Price Regulation No. 148 is amended to read as follows:

This designation shall remain in effect to and including June 30, 1944, unless sooner terminated or unless extended by amendment to this order.

This amendment shall become effective February 1, 1944.

(56 Stat. 23, 765; Pub. Law 151, 78th Cong.; E.O. 9250, 7 F.R. 7871; E.O. 9328, 8 F.R. 4681)

Issued this 1st day of February 1944.

CHESTER BOWLES,
Administrator.

[F. R. Doc. 44-1617; Filed, February 2, 1944; 9:11 a. m.]

[Order 34 Under RMPR 148, Amdt. 4]

SAN DIEGO AND IMPERIAL COUNTIES, CALIF.

DESIGNATION AS CRITICAL MEAT SHORTAGE AREAS

Amendment 4 to Order No. 34 under Revised Maximum Price Regulation No. 148. Dressed hogs and wholesale pork cuts.

The second paragraph of Order No. 34 under Revised Maximum Price Regulation No. 148 is amended to read as follows:

This designation shall remain in effect to and including June 30, 1944, unless sooner terminated or unless extended by amendment to this order.

This amendment shall become effective February 1, 1944.

(56 Stat. 23, 765; Pub. Law 151, 78th Cong.; E.O. 9250, 7 F.R. 7871; E.O. 9328, 8 F.R. 4681)

Issued this 1st day of February 1944.

CHESTER BOWLES,
Administrator.

[F. R. Doc. 44-1619; Filed, February 2, 1944; 9:10 a. m.]

[Order 35 Under RMPR 148, Amdt. 4]

STATE OF NEVADA

DESIGNATION AS CRITICAL MEAT SHORTAGE AREA

Amendment 4 to Order No. 35 under revised Maximum Price Regulation No. 148. Dressed hogs and wholesale pork cuts.

The second paragraph of Order No. 35 under Revised Maximum Price Regulation No. 148 is amended to read as follows:

This designation shall remain in effect to and including June 30, 1944, unless sooner terminated or unless extended by amendment to this order.

This amendment shall become effective February 1, 1944.

(56 Stat. 23, 765; Pub. Law 151, 78th Cong.; E.O. 9250, 7 F.R. 7871; E.O. 9328, 8 F.R. 4681)

Issued this 1st day of February 1944.

CHESTER BOWLES,
Administrator.

[F. R. Doc. 44-1620; Filed, February 2, 1944; 9:11 a. m.]

[Order 36 Under RMPR 148, Amdt. 5]

NEW MEXICO AND CERTAIN COUNTIES IN TEXAS

DESIGNATION AS CRITICAL MEAT SHORTAGE AREAS

Amendment 5 to Order No. 36 under Revised Maximum Price Regulation No. 148. Dressed hogs and wholesale pork cuts.

The second paragraph of Order No. 36 under Revised Maximum Price Regulation No. 148 is amended to read as follows:

This designation shall remain in effect to and including June 30, 1944, unless sooner terminated or unless extended by amendment to this order.

This amendment shall become effective February 1, 1944.

(56 Stat. 23, 765; Pub. Law 151, 78th Cong.; E.O. 9250, 7 F.R. 7871; E.O. 9328, 8 F.R. 4681)

Issued this 1st day of February 1944.

CHESTER BOWLES,
Administrator.

[F. R. Doc. 44-1621; Filed, February 2, 1944; 9:10 a. m.]

[Order 28 Under RMPR 169, Amdt. 5]

BEEF AND VEAL CARCASSES AND WHOLESALE CUTS

ARIZONA DESIGNATED AS CRITICAL AREA

The second paragraph of Order No. 28 under Revised Maximum Price Regulation No. 169 is amended to read as follows:

This designation shall remain in effect to and including June 30, 1944, unless sooner terminated or unless extended by an amendment to this order.

This amendment shall become effective February 1, 1944.

(56 Stat. 23, 765; Pub. Law 151, 78th Cong.; E.O. 9250, 7 F.R. 7871; E.O. 9328, 8 F.R. 4681)

Issued this 1st day of February 1944.

CHESTER BOWLES,
Administrator.

[F. R. Doc. 44-1626; Filed, February 2, 1944; 9:09 a. m.]

[Order 30 Under RMPR 169, Amdt. 4]

SAN DIEGO AND IMPERIAL COUNTIES, CALIF.

DESIGNATION AS CRITICAL MEAT SHORTAGE AREA

Amendment 4 to Order No. 30 under Revised Maximum Price Regulation No. 169. Beef and veal carcasses and wholesale cuts.

The second paragraph of Order No. 30 under Revised Maximum Price Regulation No. 169 is amended to read as follows:

This designation shall remain in effect to and including June 30, 1944, unless sooner terminated or unless extended by an amendment to this order.

This amendment shall become effective February 1, 1944.

(56 Stat. 23, 765; Pub. Law 151, 78th Cong.; E.O. 9250, 7 F.R. 7871; E.O. 9328, 8 F.R. 4681)

Issued this 1st day of February 1944.

CHESTER BOWLES,
Administrator.

[F. R. Doc. 44-1627; Filed, February 2, 1944; 9:09 a. m.]

[Order 32 Under RMPR 169, Amdt. 4]

STATE OF NEVADA

DESIGNATION AS CRITICAL MEAT SHORTAGE AREA

Amendment 4 to Order No. 32 under Revised Maximum Price Regulation No. 169. Beef and veal carcasses and wholesale cuts.

The second paragraph of Order No. 32 under Revised Maximum Price Regulation No. 169 is amended to read as follows:

This designation shall remain in effect to and including June 30, 1944, unless sooner terminated or unless extended by an amendment to this order.

This amendment shall become effective February 1, 1944.

(56 Stat. 23, 765; Pub. Law 151, 78th Cong.; E.O. 9250, 7 F.R. 7871; E.O. 9328, 3 F.R. 4681)

Issued this 1st day of February 1944.

CHESTER BOWLES,
Administrator.

[F. R. Doc. 44-1616; Filed, February 2, 1944;
9:09 a. m.]

[Order 33 Under RMPR 169, Amdt. 5]

NEW MEXICO AND CERTAIN COUNTIES IN
TEXAS

DESIGNATION AS CRITICAL MEAT SHORTAGE
AREAS

Amendment 5 to Order No. 33 under Revised Maximum Price Regulation No. 169. Beef and veal carcasses and wholesale cuts.

The second paragraph of Order No. 33 under Revised Maximum Price Regulation No. 169 is amended to read as follows:

This designation shall remain in effect to and including June 30, 1944, unless sooner terminated or unless extended by an amendment to this order.

This amendment shall become effective February 1, 1944.

(56 Stat. 23, 765; Pub. Law 151, 78th Cong.; E.O. 9250, 7 F.R. 7871; E.O. 9328, 3 F.R. 4681)

Issued this 1st day of February 1944.

CHESTER BOWLES,
Administrator.

[F. R. Doc. 44-1618; Filed, February 2, 1944;
9:10 a. m.]

[Order 1 Under RMPR 239, Amdt. 5]

LAMB AND MUTTON CARCASSES AND CUTS AT
WHOLESALE AND RETAIL

ARIZONA DESIGNATED AS CRITICAL AREA

The second paragraph of Order No. 1 under Revised Maximum Price Regulation No. 239 is amended to read as follows:

This designation shall remain in effect to and including June 30, 1944, unless sooner terminated or unless extended by an amendment to this order.

This amendment shall become effective February 1, 1944.

(56 Stat. 23, 765; Pub. Law 151, 78th Cong.; E.O. 9250, 7 F.R. 7871; E.O. 9328, 3 F.R. 4681)

Issued this 1st day of February 1944.

CHESTER BOWLES,
Administrator.

[F. R. Doc. 44-1622; Filed, February 2, 1944;
9:10 a. m.]

[Order 2 Under RMPR 239, Amdt. 4]

SAN DIEGO, CALIF.

DESIGNATION AS CRITICAL MEAT SHORTAGE
AREA

Amendment 4 to Order No. 2 under Revised Maximum Price Regulation No. 239.

Lamb and mutton carcasses and cuts at wholesale and retail.

The second paragraph of Order No. 2 under Revised Maximum Price Regulation No. 239 is amended to read as follows:

This designation shall remain in effect to and including June 30, 1944, unless sooner terminated or unless extended by amendment to this order.

This amendment shall become effective February 1, 1944.

(56 Stat. 23, 765; Pub. Law 151, 78th Cong.; E.O. 9250, 7 F.R. 7871; E.O. 9328, 3 F.R. 4681)

Issued this 1st day of February 1944.

CHESTER BOWLES,
Administrator.

[F. R. Doc. 44-1623; Filed, February 2, 1944;
9:10 a. m.]

[Order 3 Under RMPR 239, Amdt. 5]

NEW MEXICO AND CERTAIN COUNTIES IN
TEXAS

DESIGNATION AS CRITICAL MEAT SHORTAGE
AREAS

Amendment 5 to Order No. 3 under Revised Maximum Price Regulation No. 239. Lamb and mutton carcasses and cuts at wholesale and retail.

The second paragraph of Order No. 3 under Revised Maximum Price Regulation No. 239 is amended to read as follows:

This designation shall remain in effect to and including June 30, 1944, unless sooner terminated or unless extended by amendment to this order.

This amendment shall become effective February 1, 1944.

(56 Stat. 23, 765; Pub. Law 151, 78th Cong.; E.O. 9250, 7 F.R. 7871; E.O. 9328, 3 F.R. 4681)

Issued this 1st day of February 1944.

CHESTER BOWLES,
Administrator.

[F. R. Doc. 44-1624; Filed, February 2, 1944;
9:10 a. m.]

[Order 4 Under RMPR 239, Amdt. 4]

STATE OF NEVADA

DESIGNATION AS CRITICAL MEAT SHORTAGE
AREA

Amendment 4 to Order No. 4 under Revised Maximum Price Regulation No. 239. Lamb and mutton carcasses and cuts at wholesale and retail.

The second paragraph of Order No. 4 under Revised Maximum Price Regulation No. 239 is amended to read as follows:

This designation shall remain in effect to and including June 30, 1944, unless sooner terminated or unless extended by amendment to this order.

This amendment shall become effective February 1, 1944.

(56 Stat. 23, 765; Pub. Law 151, 78th Cong.; E.O. 9250, 7 F.R. 7871; E.O. 9328, 3 F.R. 4681)

Issued this 1st day of February 1944.

CHESTER BOWLES,
Administrator.

[F. R. Doc. 44-1625; Filed, February 2, 1944;
9:10 a. m.]

Regional and District Office Orders.

[Region III Order G-13 Under MPR 329,
Redesignated as G-12]

FLUID MILK IN MANISTEE COUNTY, MICH.

Correction to Order No. G-13 (formerly designated Order No. G-13) under Maximum Price Regulation No. 329. Purchases of milk from producers for resale as fluid milk.

On December 4, 1943, a general order was duly issued, effective December 4, 1943, by the Cleveland Regional Office of Region III of the Office of Price Administration, adjusting the maximum prices for purchases of milk from producers for resale as fluid milk, applicable to milk distributors in the County of Manistee in the State of Michigan. By inadvertence, said order was erroneously designated Order No. G-13, rather than G-12 under Maximum Price Regulation No. 329. The title of said order is therefore corrected to read as follows: "Order No. G-12 under Maximum Price Regulation No. 329. Purchases of milk from producers for resale as fluid milk."

For the same reason, the title of the opinion accompanying said order is also corrected to read as follows: "Opinion accompanying Order No. G-12 under Maximum Price Regulation No. 329. Purchases of milk from producers for resale as fluid milk."

This correction shall become effective January 26, 1944.

(56 Stat. 23, 765; Pub. Laws 151, 78th Cong.; E.O. 9250, 7 F.R. 7871 and E.O. 9328, 3 F.R. 4681)

Issued January 26, 1944.

CLIFFORD J. HOUSER,
Acting Regional Administrator.

[F. R. Doc. 44-1607; Filed, February 1, 1944;
12:14 p. m.]

[Region VI Rev. Order G-93 Under 18 (c)]

FIREWOOD IN UPPER WISCONSIN

Revised Order No. G-96 under § 1499-18 (c) of the General Maximum Price Regulation. Firewood prices in upper Wisconsin.

For the reasons set forth in an opinion issued simultaneously herewith and under the authority vested in the Regional Administrator of the Office of Price Administration by § 1499.18 (c) of the General Maximum Price Regulation, it is hereby ordered:

(a) *What this order does.* This order completely revises the previously existing Order No. G-96, as amended. The new order establishes ceiling prices for all types of sellers of firewood. Sections

(b) (1) and (b) (2) establish dollars-and-cents ceiling prices for sales by producers to consumers and retailers. Ceiling prices for sales by producers to wholesalers are established by a percentage off the table of ceiling prices for sales to retailers. Provision is made for specific deductions and additions determined by the basis of delivery used. Paragraph (c) establishes ceiling prices for wholesalers, and paragraphs (d), (e) and (f), maximum prices for retail dealers. The dealer's maximum prices are in the main based upon current costs plus March 1942 margins. The ceiling price is recalculated from month to month to reflect changes in cost. Paragraph (g) provides special methods for pricing

specialty woods, including kindling. No person may sell firewood at prices higher than the ceiling price provided in this order.

(b) *Ceiling prices for sales by producers of firewood.* The ceiling prices for sales of firewood loaded in freight cars at producer's plant, or delivered within producer's free delivery zone shall be the prices set forth in subparagraphs 1, 2 and 3 of this section. From these amounts shall be deducted, or to these amounts shall be added the deductions or additions applicable to the type of delivery described in subparagraph 4.

(1) *Sales to consumers.* Ceiling prices for sales by producers to consumers shall be the prices set forth in the following table, Schedule A.

SCHEDULE A.—PRODUCER TO CONSUMER

	Hard wood			Mixed wood			Soft wood		
	Body or block wood	Bundled edgings	Slab wood	Body or block wood	Bundled edgings	Slab wood	Body or block wood	Bundled edgings	Slab wood
Standard cord of 48" or 8' lengths	\$12.35	\$3.80	\$3.00	\$9.65	\$6.90	\$6.25	\$7.70	\$5.50	\$5.00
Single cord of 24" lengths	7.05	5.05	4.60	5.69	3.95	3.60	4.45	3.20	2.90
Single cord of 16" lengths	5.30	3.75	3.40	4.05	2.95	2.65	3.30	2.35	2.10
Single cord of 12" lengths	4.25	3.05	2.75	3.35	2.35	2.15	2.35	1.90	1.75

(2) *Sales to retail dealers.* Ceiling prices for sales by producers to retail dealers shall be the prices set forth in the following table, Schedule B. These are also the ceiling prices for sales by wholesalers to retail dealers.

SCHEDULE B.—PRODUCER AND WHOLESALE TO RETAILERS

	Hard wood			Mixed wood			Soft wood		
	Body or block wood	Bundled edgings	Slab wood	Body or block wood	Bundled edgings	Slab wood	Body or block wood	Bundled edgings	Slab wood
Standard cord of 48" or 8' lengths	\$10.50	\$7.50	\$6.80	\$8.20	\$5.85	\$5.30	\$6.55	\$4.65	\$4.25
Single cord of 24" lengths	6.00	4.30	3.90	4.75	3.35	3.05	3.80	2.70	2.45
Single cord of 16" lengths	4.50	3.20	2.90	3.45	2.50	2.25	2.80	2.00	1.80
Single cord of 12" lengths	3.60	2.60	2.35	2.85	2.00	1.85	2.25	1.60	1.50

(3) *Sales to wholesalers.* The ceiling prices for sales by producers to wholesalers shall be the ceiling prices set forth in Schedule B above, less a sum equivalent to 20% thereof with respect to soft woods, and 15% thereof with respect to hard and mixed woods.

(4) *Delivery allowances and deductions.* Where wood is sold on some basis other than loaded on freight cars at the producer's plant, or delivered within the producer's free delivery zone (as that term is defined in section (e) (14) of this order), the following additions may, and the following deductions must, be made:

(i) Where firewood is picked up by the buyer at the producer's place of business, the following deductions from the ceiling prices above established must be made:

Standard cord of 48" or 8' lengths	\$1.00
Single cord of 24" lengths	.55
Single cord of 16" lengths	.40
Single cord of 12" lengths	.30

(ii) For deliveries of a minimum load of 128 cu. ft. of firewood beyond the seller's free delivery zone, if delivery is made

by seller's own truck, the following delivery charges may be added:

— Allowance per minimum load of 128 cu. ft. —	
Distance beyond free delivery zone:	
Not over 5 miles	\$0.75
Over 5 miles but not over 10 miles	1.50
Over 10 miles but not over 15 miles	2.00
Over 15 miles	2.25

(iii) If deliveries of firewood are made in amounts less than 128 cu. ft. the maximum delivery allowance set forth in the table in subparagraph (ii) above shall be reduced in the proportion which the actual load bears to 128 cu. ft.

(iv) If delivery is made by common or contract carrier a seller may add the actual amount paid to such a carrier, but in no event an amount exceeding the lawful maximum rate for such delivery.

(5) *Test loads.* When a producer sells firewood all of the same size and type by the rail carload, he may weigh one cord of the wood sold and determine the total number of such cords in the carload by dividing the net weight of the carload by the weight of such "test" cord.

(6) *Ceiling prices of specialty firewoods.* The maximum price which a producer may charge for specialty firewoods shall be a price in line with the prices provided in this order, but in no event higher than the prices arrived at by the following procedure:

(i) The seller shall first take the maximum price established by him under the General Maximum Price Regulation for the longest length of slab wood of the same type of wood as the specialty firewood to be priced, that is, hard wood, mixed wood or soft wood.

(ii) The seller shall next find the maximum price established by this order for slab wood of the same type and lengths as that selected pursuant to subparagraph (i).

(iii) The seller shall next divide the price determined in accordance with subparagraph (ii) by the price determined in accordance with subparagraph (i).

(iv) The seller shall finally use the number obtained as provided in subparagraph (iii) to multiply the maximum price established by him under the General Maximum Price Regulation for the specific specialty firewood item to be priced. The result shall be the maximum price for such specialty firewood item under this order.

(c) *Sales to retail dealers by persons other than producers.* The ceiling prices for sales by wholesalers and all other persons other than producers, to retail dealers shall be the ceiling prices set forth in Schedule B, (paragraph (b) (2)) subject to the delivery allowances and deductions provided in section (b) (4).

(d) *Ceiling prices for retail dealers.* The ceiling prices for retail dealers shall be determined as hereinafter set forth:

(1) *Where retail dealer performs no processing.* The ceiling prices for retail dealers for each kind and type of wood which is purchased by such dealer in substantially the same form as sold, and which is not sawed or otherwise processed by such dealer, shall be prices determined as nearly as possible by adding the margin obtained in March 1942 to current costs. The ceiling price shall be computed from month to month in accordance with the following directions:

(i) Determine the highest price charged in March 1942 for each kind, size and type of firewood.

(ii) Add to this amount, the amount by which the "current net landed cost" (as defined in the next two paragraphs) exceeds the "net landed cost" incurred in the last purchase made prior to March 31, 1942.

(iii) "Net landed cost" means the cost of firewood delivered at retail dealer's yard. Where wood is bought on some other basis, it means the actual cost, f. o. b. place of purchase, plus costs, if any, of loading, transportation and unloading incurred in bringing the wood to the yard. Where wood is bought on a basis other than f. o. b. dealer's yard, records must be preserved and made available for inspection on the basis of which such costs can be determined.

(iv) "Current net landed cost" of any type, size and kind of firewood means the

net landed cost" incurred in the largest purchase of such size, kind and type of firewood made during the month preceding sale, if a purchase was made during such month; if not, then the cost of the largest purchase during the last month preceding the month of sale in which such a purchase was made.

(v) The ceiling price for a kind, size or type of firewood not sold, or offered for sale, during March 1942, shall be the "current net landed cost" of such firewood plus a dollar margin equivalent to the dollar margin (as determined under this order) on that type of firewood, the sales of which represented the largest volume during the month of March 1942.

(2) *Ceiling prices for retail dealers who saw or otherwise process firewood.* Where a retailer buys some kind and type of firewood and saws such firewood into various lengths or otherwise processes it, he shall use the method of establishing a ceiling price provided in subparagraph (d) (1), if in March 1942 he sold the same kind and type of firewood sawed or processed in the same manner and to the same extent. If his method of sawing or processing is substantially different from the method adopted with respect to wood sold in March 1942, he shall determine his maximum price under subparagraph (d) (3).

(3) *Maximum prices for retail dealers who cannot price under subparagraphs (d) (1) and (2).* Retail dealers who cannot establish a maximum price for any kind, size or type of firewood under the paragraphs (d) or (e) because they sold no firewood during March 1942 or because they saw or otherwise process firewood in a manner or to an extent substantially different from that in which such sawing or processing was performed during March 1942, or for any other reason, shall apply to the appropriate district office of the Office of Price Administration for ceiling prices or for a pricing method whereby such ceiling prices may be determined. Such applications shall be filed by any dealer now selling firewood on or prior to January 1, 1944, and by any other retail dealer prior to making any sales. Such applications shall state:

(i) The kind, size and type of firewood to be sold.
(ii) The names and addresses of the two retail dealers located closest to applicant's place of business.
(iii) An analysis of transportation, sawing, handling, loading, unloading and other costs, if any, incidental to the sale of each kind, size and type of firewood.
(iv) Such other information as the Office of Price Administration may request.
Upon application, the Office of Price Administration will establish ceiling prices for a method for establishing ceiling prices which will be in line with the general level of ceiling prices established under this order.

(e) *Definitions; as used in this order.*
(1) "Firewood" means body or block wood, slab wood or bundled edgings used as stove or furnace fuel cut in lengths of approximately 48", 24", 16" or 12". "Firewood" shall also include such wood when cut in approximately 8' lengths when sold for use ultimately as fuel.

(2) "Body or block wood" means those types of wood commonly referred to as body, block or chunk wood. "Body or block wood" is distinguished from "slab wood" or "edgings" in that a piece of such wood includes a larger portion of the original piece of wood from which it is cut than does a piece of "slab wood" or "edgings" of equal lengths.

(3) "Slab wood" means wood cut from the sides of a log or bolt.

(4) "Bundled edgings" means wood cut from the side of a piece of lumber and tied into bundles in accordance with accepted trade practices.

(5) "Hard wood" means firewood, at least 90% of which is produced from the botanical species of brown ash (*Fraxinus nigra*), beech (*Fagus americana*), rock elm (*Ulmus thomasi*), hard maple (*Acer saccharum*), and the commercial species of the genera birch (*Betula*) soft elm (*Ulmus*), soft maple (*Acer*), oak (*Quercus*), and all other hardwood species except aspen (*Populus tremuloides Michx*) and basswood (*Tilia*).

(6) "Mixed wood" means firewood, at least 40% of which is produced from the botanical species of brown ash (*Fraxinus nigra*), beech (*Fagus americana*), rock elm (*Ulmus thomasi*), hard maple (*Acer saccharum*), and the commercial species of the general birch (*Betula*), soft elm (*Ulmus*), soft maple (*Acer*), oak (*Quercus*), and all other hardwood species except aspen (*Populus tremuloides Michx*) and basswood (*Tilia*).

(7) "Soft wood" means any firewood which does not qualify as hard wood or mixed wood.

(8) A "producer" means a person who produces firewood:

(a) By removing it from the forest or woodlot, or

(b) As a result of the operation of a sawmill, veneer mill, or any other type of wood working plant.

(9) A "retail dealer" means a seller of firewood who produces no firewood but acquires firewood from producers or from other dealers. Cutting firewood into smaller lengths than the lengths in which it was acquired or purchased shall not be considered to be producing firewood.

(10) A "standard cord of 48" or 8' lengths" means a pile of firewood of approximately 4' lengths piled 4' high and 8' wide, or a pile of firewood of approximately 8' lengths piled 4' high and 4' wide.

(11) A "single cord of 24" lengths" means a pile of firewood of 20" to 28" lengths piled 4' high and 8' wide.

(12) A "single cord of 16" lengths" means a pile of firewood of 14" to 20" lengths piled 4' high and 8' wide.

(13) A "single cord of 12" lengths" means a pile of firewood of 12" to 14" lengths piled 4' high and 8' wide.

(14) A seller's "free delivery zone" is the corporate limits of the city village, if any, in which the seller is located but in no event an area smaller than the area within a radius of one mile of the seller's place of business.

(15) A "specialty firewood" means kindling or wood which is produced as a by-product at a sawmill, veneer mill, flooring mill or other wood-working

plant, either in random lengths or uneven shapes and sizes so that it cannot practicably be piled and sold in cords. Examples of "specialty firewood" are flooring clippings and defective bowling pins.

(f) *Geographical applicability.* This order shall apply to all sales by any persons whose places of business are located within the following counties, all within the State of Wisconsin:

Adams, Barron, Brown, Buffalo, Calumet, Chippewa, Clark, Door, Dunn, Eau Claire, Florence, Forest, Green Lake, Jackson, Juneau, Kewaunee, La Crosse, Langlade, Lincoln, Manitowoc, Marathon, Marinette, Marquette, Monroe, Oconto, Oneida, Outagamie, Pepin, Portage, Price, Rusk, Shawano, Taylor, Trempealeau, Vilas, Waupaca, Waushara, Winnebago, Wood.

(g) *Effect on other orders.* This order supersedes and revokes former Order G-36 and Order No. G-38 under § 1499.18 (c) of the General Maximum Price Regulation (formerly known as Regional Order No. 47) insofar as the latter applies to the counties covered by this order.

(h) *Revocability.* This order may be amended, modified or revoked at any time.

(i) *Effective date.* This order shall become effective December 20, 1943.

(56 Stat. 23, 765, Pub. Laws 151, 78th Cong.; E.O. 9250, 7 F.R. 7871, E.O. 9328, 8 F.R. 4681)

Issued this 10th day of December 1943.

RAYMOND S. McKEOUGH,
Regional Administrator.

[F. R. Dec. 44-1653; Filed, February 1, 1944; 12:14 p. m.]

[Region I Order G-19 Under SR 15, MPR 280 and MPR 329, Amtd. 8]

FLUID MILK IN NEW HAMPSHIRE

Amendment No. 8 to Order No. G-19 under § 1499.75 (a) (9) of Supplementary Regulation 15 to the General Maximum Price Regulation, § 1351.807 of Maximum Price Regulation 280, and § 1351.408 of Maximum Price Regulation 329 (formerly General Order 19). Fluid milk in New Hampshire.

For the reasons set forth in an opinion issued simultaneously herewith and under the authority vested in the Regional Administrator of Region I of the Office of Price Administration by § 1499.75 (a) (9) of Supplementary Regulation 15 to the General Maximum Price Regulation, as amended, by § 1351.807 of Maximum Price Regulation No. 280, and § 1351.408 of Maximum Price Regulation No. 329, it is hereby ordered, That the subdivisions designated as Zone 3, Zone 4, Zone 5, and Zone 6 in paragraph (b) (2) and subparagraphs (2), (3), (4), (5) and (6) of paragraph (d) be amended and that subparagraph (8) of paragraph (1) be added to read as set forth below:

(b) * * *
(2) * * *

Zone 3—For the following mill: marketing areas:

(59)—Northfield and Tilton; (51)—Tamworth, Eaton, Madison, Freedom, Eppingham and Oculpec; (19)—Conway, § 3.72.

(23)—Milford, Amherst, Wilton; (71)—Merrimack; (79)—Brookline; (75)—Harrisville and Dublin; (41)—Winchester; (66)—Millsborough; (42)—Goffstown; (61)—Allenstown and Pembroke; (81)—Rollinsford; (69)—South Hampton; (7)—Newfields and Newmarket; (13)—Farmington; (25A)—Alton, Moultonborough, Center Harbor, Meredith, parts of Holderness and New Durham, \$3.95.

(16)—Berlin and Gorham, \$3.49.

Provided, further, That payments of differentials for butterfat content in excess of 3.7% are to be made in Area (16) on the basis of the calculations of the Federal Milk Marketing Administrator for Boston as announced from time to time by the New Hampshire Milk Control Board, as is now the customary practice throughout all other areas in the State of New Hampshire.

Zone 4—For the following milk marketing areas and the town of Hinsdale:

(17)—Lebanon; (30)—Hanover; (40)—Enfield, \$3.49.

(11)—Bristol; (29)—Bridgewater and Hebron; (57)—Plymouth, Ashland and part of Holderness; (28)—Gilmanton; (15)—Claremont; (73)—Newport, Sunapee, and New London, \$3.72.

(87)—Epping; (39)—Raymond; (18)—Peterborough; (50)—New Ipswich; (78)—Rindge; (49)—Greenville; and the Town of Hinsdale, \$3.95.

Zone 5—For the following milk marketing areas; and the towns of Troy and Warner:

(52)—Milton, Wakefield, Brookfield, Middleton, \$3.49.

(67)—Weare; (45)—Antrim; (44)—Hopkinton; (77)—Epsom, Northwood and Strafford; (74)—Pittsfield; (80)—Belmont; (64)—North Walpole; (36)—Charlestown; (76)—Rumney; (20)—Lancaster; (31)—Bethlehem; (32)—Littleton; (33)—Lisbon; (35)—Northumberland; (60)—Whitefield; (63)—Carroll-Hart's Location; (72)—Woodstock, Lincoln, Thornton; (83)—Haverhill; and the towns of Troy and Warner, \$3.72.

(55)—Danville, \$3.84.

Zone 6—For the following milk marketing areas:

(43)—Henniker; (14)—Greenfield; (70)—New Boston, \$3.72.

(62)—Franconia; (56)—Campton; (85)—Lyme, \$3.49.

For the following localities not subject to New Hampshire Milk Control Board orders: Jefferson, Kilkenny, Stark, Randolph, Shelburne, Success and Milan, \$3.37.

(d) * * *

(2) Zone 2 shall include:

#2—The Town of Jaffrey.
#12—The City of Keene and the Towns of Marlboro and Swanzey.

#27—The Towns of Wolfeboro and Tiltonboro.

#25—The City of Laconia and the Towns of Sanbornton and Gilford and that part of Belmont which is within one mile of the shore of Lake Winnisquam, together with that part of Tilton between the Daniel Webster Highway and Lake Winnisquam.
#34—The City of Franklin.

(3) Zone 3 shall include:

#7—The Towns of Newmarket and Newfields.

#81—The Town of Rollinsford.

#69—The Town of South Hampton.

#51—The Towns of Ossipee, Effingham, Freedom, Madison, Eaton and Tamworth.

#19—The Town of Conway.

#16—The City of Berlin and the Town of Gorham.

#25A—The Towns of Alton, Moultonborough, Center Harbor, Meredith and that part of the Town of New Durham which is more than one mile north of State Highway No. 11 and the Town of Holderness except such portion of said town as lies within three miles of the Plymouth-Holderness Town Line.

#59—The Towns of Tilton and Northfield, exclusive of that part of Tilton heretofore included in Market Area #25.

#13—The Town of Farmington.

#61—The Towns of Pembroke and Allens-town.

#66—The Town of Hillsborough and that part of the Town of Deering which is within one mile of the Hillsborough-Deering Town Line.

#42—That part of the Town of Goffstown not included in Market Area #38 and that portion of the Village of Riverdale which is in the Town of Weare.

#41—The Town of Winchester.

#75—The Towns of Dublin and Harrisville.

#23—The Towns of Milford, Amherst and Wilton.

#71—The Town of Merrimack.

#79—The Town of Brookline.

(4) Zone 4 shall include:

#49—The Town of Greenville.

#87—The Town of Epping.

#39—The Town of Raymond.

#11—The Town of Bristol, exclusive of that part of the Town of Bristol, which is included in Market #29. (Newfound Lake Market Area.)

#29—The Towns of Hebron and Bridgewater and that part of Alexandria lying between the shore of Newfound Lake and an imaginary line parallel with and one-quarter mile westerly of the main road from Bristol to Hebron Village and that part of Bristol which lies between the western shore of said Lake and an imaginary line parallel with and one-quarter mile westerly from the main road from Bristol to Hebron Village. Also such part of Bristol which lies within one-quarter of a mile of the southern shore line of said Lake and also such part of Bristol within one-half mile of the easterly shore line of said Lake and all islands within said Lake.

#57—The Towns of Plymouth and Ashland and that part of the Town of Holderness as lies within three miles of the Plymouth-Holderness town line.

#18—The Town of Peterborough.

#50—The Town of New Ipswich.

#78—The Town of Rindge.

#28—The Town of Gilmanton.

#15—The Town of Claremont.

#73—The Towns of Newport, Sunapee and New London.

#40—The Town of Enfield.

#30—The Town of Hanover.

#17—The Town of Lebanon.

Not subject to any order of the New Hampshire Milk Control Board—The Town of Hinsdale.

(5) Zone 5 shall include:

#67—The Town of Weare with the exception of the Village of Riverdale.

#45—The Town of Antrim.

#44—The Town of Hopkinton.

#77—The Towns of Epsom, Northwood and Strafford.

#74—The Town of Pittsfield.

#52—The Towns of Milton, Wakefield, Brookfield and Middleton.

#80—The Town of Belmont with the exception of that part which is within one mile of the shore of Lake Winnisquam.

#72—The Towns of Woodstock, Lincoln and Thornton.

#33—The Town of Lisbon and that part of the Town of Landaff between the Lisbon-Landaff town line and the Boston & Maine new underpass.

#83—The Town of Haverhill and that part of the Town of Bath that is included in the Woodsville precinct for school purposes.

#31—The Town of Bethlehem.

#63—The Towns of Carroll and Hart's location.

#60—The Town of Whitefield.

#20—The Town of Lancaster.

#35—The Town of Northumberland.

#32—The Town of Littleton.

#64—That part of the Town of Walpole known as North Walpole and extending southerly from North Walpole Village to a distance of 500 feet southerly from Cold River.

#38—The Town of Charlestown.

#55—The Town of Danville.

#76—The Town of Rumney.

and the following towns, not subject to orders of the New Hampshire Milk Control Board:

Troy and Warner.

(6) Zone 6 shall include:

#62—The Town of Franconia.

#14—The Town of Greenfield.

#70—The Town of New Boston.

#43—The Town of Henniker.

#56—The Town of Campton.

#85—The Town of Lyme.

and the following localities not subject to New Hampshire Milk Control Board orders: Jefferson, Kilkenny, Stark, Randolph, Shelburne, Success and Milan.

(1) * * *

(8) Amendment No. 8 shall become effective January 1, 1944, at 12:01 a. m.

(56 Stat. 23, 765; Pub. Law 151, 78th Cong.; E.O. 9250, 7 F.R. 7871 and E.O. 9328, 8 F.R. 4681)

Issued this 29th day of December 1943.

K. B. BACKMAN,
Regional Administrator.

[F. R. Doc. 44-1569; Filed, January 31, 1944; 11:58 a. m.]

[Region IV Order G-28 Under 18 (c), Amdt. 1]

FIREWOOD IN ALBEMARLE, N. C.

Amendment No. 1 to Order No. G-28 under § 1499.18 (c) of the General Maximum Price Regulation. Firewood prices in Albemarle, North Carolina.

For the reasons set forth in an opinion issued simultaneously herewith and under the authority vested in the Regional Administrator of the Office of Price Administration by § 1499.18 (c) of the General Maximum Price Regulation and by General Order No. 32, *it is hereby ordered*, That paragraph (a) of Order No. G-28 under § 1499.18 (c) of the General Maximum Price Regulation be amended to read as set forth below, and that paragraph (c) is amended as set forth below:

(a) On and after January 26, 1944, the maximum prices for the kind of firewood set forth below shall be as follows:

(1) *Sales to retailers.* The maximum prices for firewood sold to retail sellers when cut in lengths 4' to 12' and delivered to the retailer's yard shall be \$5.75 per cord for oak firewood and \$5.00 per cord for pine firewood.

(2) *Sales to consumers.* The maximum prices for firewood sawed and delivered to consumers shall be \$9.75 per cord and \$3.25 per load for oak firewood and \$9.00 per cord and \$3.00 per load for pine firewood.

(b) * * *

Wherever the term "oak firewood" appears in paragraph (c), the word "oak" is deleted.

This Amendment No. 1 to Order No. G-28 shall become effective January 26, 1944.

(56 Stat. 23, 765; Pub. Law 151, 78th Cong.; E.O. 9250, 7 F.R. 7871, and E.O. 9328, 8 F.R. 4681)

Issued January 21, 1944.

JAMES C. DERIEUX,
Regional Administrator.

[F. R. Doc. 44-1570; Filed, January 31, 1944;
11:56 a. m.]

[Louisville Order G-1 Under MPR 418, as Amended]

FIXED TRANSPORTATION ALLOWANCES FOR FISH WHOLESALERS IN DESIGNATED COUNTIES IN KENTUCKY AND INDIANA

Louisville District Order No. G-1 under section 7 (b) of Maximum Price Regulation No. 418, as amended. An order establishing fixed transportation allowances for fish wholesalers in Jefferson County, Kentucky, Floyd County, Indiana, and Clark County, Indiana. Fresh fish and sea food.

For reasons set forth in an opinion issued simultaneously herewith, and under the authority delegated to the District Director of the Louisville District by the Regional Administrator of Region III by virtue of Delegation Order No. 1-A, Amendment 7, effective December 1, 1943, it is hereby ordered that:

SECTION 1. Exclusive transportation allowance. In determining maximum prices under the provisions of Maximum Price Regulation No. 418 for sales of the hereinafter designated species of fish and sea food at wholesale, every person making such sales to retail establishments shall substitute in lieu of actual costs of transportation the following exclusive transportation allowance:

\$3.50 per hundredweight.

No additions may be made for local hauling, icing, or handling.

SEC. 2. Species of fish and sea food included. Provisions of this order shall apply to sales of the following designated species of fresh fish:

Locally known as: Flounder; Blackback, Seadab, Yellowtail; Haddock; Hake; Herring; Rosefish; Pollock; Whiting; Cod (Atlantic).

SEC. 3. Effective date and geographical application. This order shall be effective on January 27, 1944, and shall apply to all sales made by wholesalers in the Greater Louisville Area to retailers in the Greater Louisville Area, which includes Jefferson County, Kentucky, Floyd County, Indiana, and Clark County, Indiana.

This order may be revised, revoked, or amended at any time.

(56 Stat. 23, 765; Pub. Law 151, 78th Cong.; E.O. 9250, 7 F.R. 7871 and E.O. 9328, 8 F.R. 4681)

Issued this 24th day of January 1944.

GEO. H. GOODMAN,
District Director.

[F. R. Doc. 44-1575; Filed, January 31, 1944;
4:12 p. m.]

[Region VII Order G-1 Under SE 14A]

SALE OF FLUID MILK TO ARMY AND NAVY IN SALT LAKE CITY AREA, UTAH

Order No. G-1 under § 1499.73a (a) (1) (iii) (c) of Supplementary Regulation 14A to the General Maximum Price Regulation. Adjusted prices for sale of fluid milk to the Army and Navy in the Salt Lake City Area, State of Utah.

Pursuant to the Emergency Price Control Act of 1942, as amended, and § 1499.73a (a) (1) (iii) (c), Supplementary Regulation 14A to the General Maximum Price Regulation, and for the reasons set forth in the accompanying opinion, this Order No. G-1 is issued.

(a) *What this order does.* This order adjusts the maximum price of milk sold by the quart to the Army and Navy by distributors in the Salt Lake City Area of the State of Utah.

(b) *Specific maximum price.* The maximum price of fluid milk sold in glass or paper containers to the Army or Navy for delivery within the Salt Lake City Area or sold f. o. b. the seller's dock or place of business in said Salt Lake City Area to the Army or Navy for use at a place outside of said Salt Lake City Area shall, on and after the effective date of this order, be 11.27¢ per quart.

(c) *Geographical applicability.* This order applies only to the Salt Lake City Area, which means all of the area in the State of Utah contained within the municipal boundaries of Salt Lake City and a distance of 15 miles beyond at all points.

(d) *Applicability to other regulations.* Except insofar as provided otherwise in this order No. G-1, all sellers of fluid milk to the Army or Navy in glass bottles or paper containers in the Salt Lake City Area shall remain subject to and be required to comply with all other applicable regulations.

(e) *Licensing.* The provisions of Licensing Order No. 1, licensing all persons who makes sales under price control, are applicable to all sellers subject to this regulation or order. A seller's license may be suspended for violations of the license or of one or more applicable price schedules or regulations. A person whose license is suspended may not, during the period of suspension, make any sale for which his license has been suspended.

(f) *Effective date.* This order shall be effective retroactively as of December 13, 1943.

(56 Stat. 765; Pub. Law 151, 78th Cong.; E.O. 9250, 7 F.R. 7871, and E.O. 9328, 8 F.R. 4681)

Issued this 17th day of January 1944.

CLEM W. COLLINS,
Regional Administrator.

[F. R. Doc. 44-1576; Filed, January 31, 1944;
4:12 p. m.]

[Denver Order G-3 Under 3 (c)]

ELECTRIC DRY CELL BATTERIES PURCHASED BY JAKE HAYUTIN AND SONS

Order No. G-3 issued under § 1499.3 (c) of the General Maximum Price Regulation. Order establishing maximum prices for electric dry cell batteries pur-

chased by Jake Hayutin and Sons, Denver, Colorado.

For the reasons set forth in the opinion issued simultaneously herewith and under the authority vested in the District Director by General Order No. 32, as amended, and Region VII Delegation Order No. 4, under § 1499.3 (c) of the General Maximum Price Regulation, it is hereby ordered:

(a) *Maximum prices for electric dry cell batteries on sales at retail.* The maximum price on sale at retail in Colorado to be charged by Jake Hayutin and Sons, whose address is 1426 Larimer Street, Denver 2, Colorado, and whose establishment is at that address, and by all sellers subsequent to said Jake Hayutin and Sons, for an electric dry cell battery which has been purchased by said Jake Hayutin and Sons from or through Brigham Harbertson and James Harbertson, of Ogden, Utah, shall be 80 percent of the highest retail list price of the nearest comparable new Burgess, General, National or Ray-O-Vac electric dry cell battery made and sold for civilian use.

(b) *Maximum prices for electric dry cell batteries on sales other than at retail.* The maximum price on sale in Colorado other than at retail to be charged by said Jake Hayutin and Sons and by all other sellers subsequent to said Jake Hayutin and Sons for an electric dry cell battery which has been purchased by said Jake Hayutin and Sons from or through Brigham Harbertson and James Harbertson, of Ogden, Utah, shall be the maximum price of such electric dry cell battery upon sale at retail, as determined under the provisions of this order, less a discount of 30 percent and 10 percent when sold to jobbers, or less a discount of 30 percent and a discount for cash of 2 percent when sold to retailers.

(c) *Description of electric dry cell batteries covered by this order.* This order relates to the maximum prices of only those electric dry cell batteries which were, prior to the date of this order, purchased by said Jake Hayutin and Sons from or through said Brigham Harbertson and James Harbertson, of Ogden, Utah, and which, previous thereto, had been owned by the United States Army and had been kept at the Utah Army Services Depot at Hill Field, Utah, and had been sold because some of them were overage and the rest of them had been stored in a place which was near a fire which had broken out. Furthermore, this order applies only to such of the electric dry cell batteries above described which are at the time of sale in a usable condition, that is, which have at the time of sale sufficient electrical capacity to fill initially the purpose for which they are to be used.

(d) *Notification of maximum prices.* Each person who shall sell any electric dry cell batteries which are covered by this order to any purchaser who buys them for resale shall, at the time of or prior to the delivery to such purchaser of such batteries, notify such purchaser of the provisions of this order by which are determined the maximum wholesale

and retail prices of such batteries and of the provisions of this order relating to notification of maximum prices.

(e) *Coverage by General Maximum Price Regulation.* In all particulars which are not specifically covered or which are excepted by this order, all sellers of electric dry cell batteries which are covered by this order shall be subject to the provisions of the General Maximum Price Regulation with respect to the sales of such batteries.

(f) *Modification and adjustment.* This order may be revoked, amended, or corrected at any time, and any maximum price determined under this order shall be subject to modification and adjustment by the Office of Price Administration and this order shall be superseded by any appropriate maximum price regulation or amendment to maximum price regulation which may hereafter be issued which fixes or establishes maximum prices for electric dry cell batteries.

(g) *Keeping of copy of order.* Said Jake Hayutin and Sons shall keep a copy of this order in its establishment at 1428 Larimer Street, Denver, Colorado.

(h) *Effective date.* This order becomes effective January 22, 1944.

(56 Stat. 23, 765; Pub. Law 151, 78th Cong.; E.O. 9250, 7 F.R. 7871 and E.O. 9328, 8 F.R. 4681)

Issued this 22d day of January 1944.

GEO. M. BULL,
District Director.

[F. R. Doc. 44-1577; Filed, January 31, 1944;
4:12 p. m.]

[Region VIII Order G-3 Under MPR 376,
Revocation]

TOMATOES IN SAN FRANCISCO REGION,
CALIF.

Order revoking Order No. G-3 under
section 4 (c) of Maximum Price Regula-

tion No. 376, as amended. Certain fresh fruits and vegetables (fresh tomatoes).

For the reasons set forth in an opinion issued simultaneously herewith and under the authority vested in the Regional Administrator of the Office of Price Administration by section 4 (c) of Maximum Price Regulation No. 376, as amended, and section (c) of Order G-3, Order G-3, under section 4 (c) of Maximum Price Regulation No. 376, as amended, is hereby revoked.

This order shall become effective January 24, 1944.

(56 Stat. 23, 765; Pub. Law 151, 78th Cong.; E.O. 9250, 7 F.R. 7871 and E.O. 9326, 8 F.R. 4681)

Issued this 24th day of January 1944.

L. F. GENTNER,
Regional Administrator.

[F. R. Doc. 44-1578; Filed, January 31, 1944;
4:13 p. m.]